

# FINANCIAL TIMES

Weekend  
FT  
Section 2

The fight  
game on  
the ropes

Where's the  
wit in Grand  
Prix racing?

Life and death  
in Argentina's  
nature reserves

Jonathan  
Raban: why he  
feels displaced

World Business Newspaper

WEEKEND MARCH 25/MARCH 26 1995

D8523A

## British army calls off routine patrols of Belfast streets

Routine patrols by the British army in Belfast end tonight after more than 25 years. Troops have been withdrawn from most towns in Northern Ireland since the IRA declared a ceasefire nearly seven months ago. Another British army battalion is expected to be pulled out of the province at Easter, but there are no plans to close army bases. UK government urged to meet Sinn Féin, Page 6

**Warning of disaster costs:** The cost of insuring against natural disasters could rise significantly over the next few years, and some cover may be withdrawn, a Lloyd's of London underwriter has warned. Page 22

**Border controls to go:** France, Germany, Belgium, the Netherlands, Luxembourg, Spain and Portugal abolish internal border controls tomorrow, allowing travellers to move across frontiers without checks. Page 2

**UK opposes pay proposals:** French proposals to make European Union companies, operating in member states other than their own, apply host country pay rates face UK opposition. Page 22

**Calls for Japanese minister to resign:** The struggle between Japan's ruling Liberal Democratic party and the bureaucracy intensified when ministers called for the resignation of Jiro Saito, the vice finance minister. Page 3

**Bosnian Serbs suffer heavy losses:** More than 100 Bosnian Serb soldiers have been killed or wounded in three days as troops of the Moslem-led Bosnian government try to capture two strategic heights in central and north-east Bosnia. Page 2

**London Underground to sue bank:** London Underground is to sue its bankers after a cheque for more than £500,000 (£788,000) it sent to British Rail ended up in the account of a German woman in the French town of Metz. Page 22

**Mexican inflation accelerates:** Inflation in Mexico accelerated in March, with consumer prices rising 3.1 per cent in the first two weeks of the month after the government raised petrol and electricity tariffs by 35 per cent. Page 4

**Cray Computer faces crisis:** Cray Computer, the US supercomputer venture, filed for bankruptcy protection after failing to raise funds to complete the development of a new supercomputer it had planned to launch this year. Page 7

**Discounting hits Hi-Tec Sports:** Heavy discounting in North America and the UK pushed profits at sports shoe designer, Hi-Tec Sports, down by 65 per cent from £5.45m (£8.6m) to £1.91m in the 12 months to January 31. Page 8

**UK stock market closes at 1995 peak:** The UK stock market closed at a 1995 peak yesterday as currency markets took a more optimistic turn ahead of next week's meetings at the Federal Reserve and the Bundesbank. The London stock market closed at the day's peak of 3,153.4 on the FT-SE 100 Share Index, a net gain of 17 points on the session. The Footsie showed a gain of around 2 per cent or 64 points over the week. The opening of a new Wall Street session saw the Dow Jones Industrial Average moving ahead as Federal bonds responded to dollar firmness. At the London close, the Dow Average was 41 points ahead at record levels. Editorial Comment, Page 10; London stocks, Page 18; World stocks, Page 17; Markets, Weekend Investor Page XXII

**Rolls-Royce in \$520m deal:** UK aero-engine maker, Rolls-Royce, launched a £311m (\$520m) share issue to fund its acquisition of US military engine supplier Allison Engine Company. Page 7

**Deadlock over BAT's Indian battles:** The battle between BAT Industries and Krishan Lal Chugh, chairman of Indian tobacco-to financial services group ITC, in which BAT has a 31.5 per cent stake, appeared deadlocked. Page 8

**UK newspapers in new price war:** UK national newspaper the Daily Mirror sparked a new price war with rival the Sun by more than halving its cover price for today's edition. Threat to Murdoch empire diluted, Page 6

**Companies in this issue**

Allied Signal 8  
Allison Engine 8  
American Express 22  
Argos 8  
Bairings 8  
BAT 8  
Bentley 8  
Bentley Systems 8  
British Air 8  
British Land 8  
Caldore 8  
Cray Computer 7, 22  
Curtis Business Sys 8  
Equity Consort 8  
FICIT 8  
Ford 8  
GAF 8  
GR (Holdings) 8  
Garton Engineering 7, 22  
General Electric 8  
Guinness Peat 7  
Hawthorn 8  
Hi-Tec Sports 8  
Holders Technology 8

**For customer service and other general enquiries call:**

Frankfurt  
(69) 15685150

## Rowland loses fight to be Lonrho president

By David Wighton in London

Lonrho's army of private shareholders came to praise Mr Tiny Rowland. The board of the mining and trading empire he ran for 34 years was determined to bury him.

At yesterday's emotional shareholders' meeting, Mr Rowland saw the life presidency he had been promised snatched away by a board his supporters denounced for its treacherous ingratitude.

"How can you wish to stab in the back the very man who has devoted his life to this company?" asked one shareholder.

## Strength of shareholder support fails to win day against board

Investors accused Mr Dieter Bock, the man Mr Rowland brought into Lonrho in 1992, of administering the unkindest cut of all.

In November, Mr Bock persuaded Mr Rowland to step down with the promise of the life presidency. But three weeks ago Mr Bock, now chief executive, led the board in sacking Mr Rowland as a director and recommending that shareholders vote against appointing him president.

Yesterday's meeting demonstrated the extraordinary affection and respect many private shareholders still have for Mr Rowland in spite of the company's problems in recent years. Yet while a majority of the 1,000 shareholders present backed the former chief executive, the board won the day thanks to the support of institutional investors.

Speaking to shareholders an emotional and frail-looking Mr Rowland said: "Whether you vote

in favour of my becoming president doesn't really matter very much to me because the only interest I have is the future of Lonrho."

Mr Rowland, for once showing his 77 years, also criticised Sir John Leahy, Lonrho chairman, before asking an associate to read a prepared statement. This repeated many of the allegations about Mr Bock's management abilities and personal finances.

Sir John said it had been these attacks "on Mr Bock and on his and the board's stewardship of the company" that had sealed Mr Rowland's fate.

Sir John needed all his diplomatic skills to control a rowdy and frequently ill-tempered meeting. At some points the drama degenerated into low comedy.

Asked by a shareholder whether the board's recent behaviour towards Mr Rowland had been "schizophrenic" Sir

John replied: "Yes and no." Before the vote, one shareholder reminded the meeting of how Mr Rowland defeated another boardroom coup 22 years ago. This time the board triumphed. The resolution to appoint a president, which required a 75 per cent majority, was defeated by 258m votes to 277m. But Mr Rowland, who is suing Lonrho for wrongful dismissal, pledged to fight on. "This is not the end, just the beginning," he said.

What they all said about Tiny, Page 7; Lex, Page 22

## Tokyo exchange hit by departures of US companies

By Gerard Baker in Tokyo and Richard Waters in New York

Tokyo's status as a leading global financial centre has been further dented by the decision of four of the largest US companies to delist their stocks from the city's exchange.

American Express, Ford Motor, General Electric and Allied Signal Inc all notified the exchange of their intention to cease listing in Tokyo by the end of June.

Their departure will reduce to 82 the number of foreign companies on the exchange from 127 at its height four years ago. The collapse in the foreign section was brought about by a decline in Japanese investors' interest in stocks of US companies.

The four companies, among the largest international businesses to leave Tokyo, blamed their departures on reduced turnover in stocks and a falling number of Japanese-based shareholders.

Companies have complained of the high cost of maintaining a Japanese listing. A Tokyo listing costs three to four times as much as other leading markets, at ¥15m-¥20m (\$170,000-\$225,000) a

year, mainly for translating reports for Japanese permits and observing regulations.

Ford said its experience there had been "much like other multinational corporations". After an initial surge in interest among local investors when it listed in 1988, trading had all but disappeared. "We lack a shareholder base, and trading volume is low," said Mr Dan Dunnigan, an executive in Ford's international finance department.

"Big institutional investors in many cases prefer to trade in New York or London."

Ford said it had reviewed its listings, including those on regional US exchanges and in Europe, and was withdrawing from those markets where trading was light. It would stay on the New York exchange, the Pacific exchange in California, and London, as well as several in Europe.

The costs of being listed on an American exchange are between \$1 and \$6 for every 1,000 shares traded, said Mr Dunnigan. By contrast, costs on European exchanges are \$6 to \$10, and in Tokyo they are "much more than that". The expenses include fees

paid to the exchanges and the cost of preparing and filing accounts.

GE said it had decided to withdraw from Tokyo "in view of the decline in shareholders and trading, and as part of an overall cost-reduction programme".

In 1987, when stock prices and trading volumes were surging, an average of more than 2,750,000 stocks changed hands on the foreign section every day. Since the start of this year the average daily trading volume has been 145,000.

In the past year 23 companies, including Scott Paper and Hewlett-Packard of the US, and British Gas, have announced their departure.

The Tokyo stock exchange has expressed concern about the malaise in its foreign section. Trading volumes seem set to remain depressed and with the widespread availability of off-exchange trading in other main financial markets, it does not expect a significant revival of interest from companies in Europe and the US.

The exchange plans to revitalise the section by encouraging Asian companies to sign up.

## Investment surge helps UK to lowest deficit in nine years

By Gillian Tett in London

Britain recorded its lowest current account deficit for nine years in 1994, after a surprise surplus in the final three months of the year brought an unexpected boost to the figures.

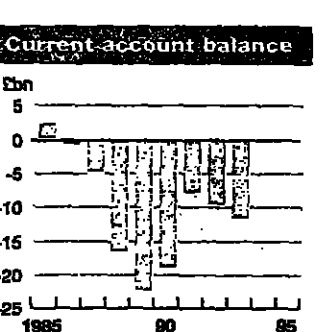
The improvement, considerably better than the government had expected, partly reflected a surge in UK companies' overseas investment which has brought more profits into the country.

The figures were yesterday welcomed by the City, not least because some economists have feared in recent years that economic recovery would suck in imports and greatly increase the deficit.

The government, however, focused on the improvement in the domestic economy last year. This was confirmed by the Central Statistical Office's final estimate of fourth-quarter gross domestic product data published yesterday.

The figures were yesterday welcomed by the City, not least because some economists have feared in recent years that economic recovery would suck in imports and greatly increase the deficit.

The government, however, focused on the improvement in the domestic economy last year. This was confirmed by the Central Statistical Office's final estimate of fourth-quarter gross domestic product data published yesterday.



Source: CBO

firm that consumers were not the main beneficiaries of economic performance last year. Although the UK's overall economy expanded by 3.9 per cent last year, fractionally higher than the last estimate, disposable consumer income grew by 1.2 per cent.

Meanwhile, the UK current account deficit with the rest of the world fell to £168m (£275m), after a surplus of £628m in the last quarter of 1994 - the second consecutive quarter of surplus.

This yearly deficit was sharply lower than the previous year's almost £12bn, and the best figure recorded since the UK ran a current account surplus in 1985.

It was also better than the Treasury's forecasts of a £4bn deficit, made in its November budget.

The reduced deficit partly reflected growing UK exports last year. But the main reason for the

Continued on Page 22

| STOCK MARKET INDICES         |           |           |  |
|------------------------------|-----------|-----------|--|
| FT-SE 100                    | 3,153.4   | (+17.0)   |  |
| Yield                        | 4.33      |           |  |
| FT-SE Eurotrack 100          | 1,241.50  | (+13.28)  |  |
| FT-SE-A All-Share            | 1,241.50  | (+0.59)   |  |
| Nikkei                       | 15,748.77 | (-63.64)  |  |
| New York Composite           | 4,128.81  | (+40.81)  |  |
| Dow Jones Ind Ave            | 4,128.81  | (+40.81)  |  |
| S & P Composite              | 500.45    | (+4.5)    |  |
| NORTH SEA OIL (pence)        |           |           |  |
| Export 15-day (May)          | 517.085   | (17.17)   |  |
| LONDON MONEY                 |           |           |  |
| 3-mo Interbank               | 6.51%     | (0.5%)    |  |
| Life long gilt fut. Jun 100% | 103.5     | (Jun100%) |  |
| US LUNCHTIME RATES           |           |           |  |
| Federal Funds                | 6%        |           |  |
| 3-m Treas Bill: Yld          | 5.828%    |           |  |
| Long Bond                    | 10%       |           |  |
| Yield                        | 7.384%    |           |  |
| STERLING                     |           |           |  |
| New York lunchtime           | 1.5810    |           |  |
| London                       | 1.5832    | (1.5837)  |  |
| DM                           | 2.2508    | (2.2335)  |  |
| FF                           | 7.9184    | (7.8305)  |  |
| SP                           | 1.8857    | (1.8501)  |  |
| Y                            | 141.357   | (140.485) |  |
| C Index                      | 85.8      | (85.2)    |  |
| DOLLAR                       |           |           |  |
| New York lunchtime           | 1.41875   |           |  |
| DM                           | 1.4128    | (1.4015)  |  |
| FF                           | 4.9708    | (4.9761)  |  |
| SP                           | 1.171     | (1.1629)  |  |
| Y                            | 68.725    | (68.15)   |  |
| S Index                      | 60.6      | (60.5)    |  |
| Tokyo close                  | 88.485    |           |  |

| CONTENTS           |     |                   |        |
|--------------------|-----|-------------------|--------|
| News               | 17  | Recent issues     | 17     |
| International News | 2-4 | Share information | 20-21  |
| UK News            | 6   | World commodities | 14     |
| Weather            | 22  | Wall Street       | 18, 17 |
| Lot                | 22  | Business          | 16, 17 |
| Features           |     | Weekend FT        |        |
| Leader Page        | 10  | Section 1         |        |
| Letters            | 11  |                   |        |
| Man in the News    | 10  |                   |        |
| Companies          | 7-8 |                   |        |
| UK                 | 7-8 |                   |        |
| Int'l Companies    | 8   |                   |        |
| Markets            |     |                   |        |
| FT-SE Actuaries    | 19  |                   |        |
| Money Markets      | 15  |                   |        |



Making a point: Russian prime minister Victor Chernomyrdin gestures as he answers a question during a break at yesterday's meeting of regional and government leaders at the Kremlin in Moscow. He told delegates the economy remained 'very fragile', although real gains were visible

## Applicants to army dismissed as too fat and unfit

By Bernard Gray in London

The British army is having trouble recruiting enough fit young people to meet its needs, despite high levels of unemployment among those aged 16 to 24.

Many youngsters are, according to the army, too fat and not sufficiently mentally robust to cope with the restraints handed out by regimental sergeant majors. Changes in social values mean that many others are just not interested in an army career.

Of those who do apply, 18 per cent of candidates fail selection panels because of obesity and a further 25 per cent on general medical grounds. Subsequently, 30 per cent of successful applicants drop out during training because they feel unable to cope with army life.

The shortage of acceptable candidates means that the army will struggle to recruit the 11,000 new soldiers it needs in 1995. To combat the problem, the army is using Saatchi & Saatchi, the advertising agency, to improve its image with the young and attract more of the candidates it needs.

A model soldier would be 16 to 24 with GCSEs and possibly A-levels or technical qualifications, who can run a mile and a

Continued on Page 22

**NEW**

**UK Emerging Leaders Fund**

**His advice could stop you falling into bad companies.**

UK Smaller Companies are under-researched. Many are under valued. This ensures excellent, but selective, buying opportunities. And that's where our "man who knows" comes in - and why we believe investors should make their move now, with the new Singer & Friedlander UK Emerging Leaders Fund. It offers the proven stock-picking expertise of some of the most highly-rated and unconventional advisers in this specialised field.

**FreeCall 0500 626 226**

YD Singer & Friedlander Investment Funds Ltd., FREEPOST KBB668, London EC2B 2SF. Please send me full details of the new Singer & Friedlander UK Emerging Leaders Fund including the DTI UK Small Firms Report. Please price clearly.

Name \_\_\_\_\_ FT 23.35

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Singer & Friedlander Investment Funds

The value of shares and the income from them may fall as well as rise and investors may not get back the amount originally invested. Past performance is not necessarily a guide to the future. "Whereas such last."

Issued by Singer & Friedlander Investment Funds Ltd., 25, New Street, London EC2M 4HR. Member of IFA.



## NEWS: EUROPE

# The Schengen accord scraps border controls between seven EU countries tomorrow, FT reporters write

## Forget your passport – Europe's frontiers start to fade

By Emma Tucker in Brussels

Holiday-makers hurtling along Europe's motorways this summer will scarcely notice that border controls between seven European Union member states have been dismantled.

It is a long time since they were routinely asked to show their passports at the Luxembourg frontier with Belgium, or the Belgian border with France or Holland. But as of tomorrow, this already remote possibility dies altogether.

European Union member states belonging to the Schengen club – France, Germany, Belgium, the Netherlands, Luxembourg, Spain and Portugal – will abolish internal border controls so that travellers inside the Schengen area, regardless of nationality, will be free to move across frontiers without checks, rather as people travel from state to state in the US. Austria, an observer member since July 1994, is to become a full member next month.

The main impact of the changes will be

felt at airports which will now make a distinction between passengers arriving from within the Schengen area and those flying in from outside. Thus someone travelling from Lisbon to Bonn will be able to treat the flight as a domestic journey, leaving home without their passport.

"This is the biggest step ever taken by the EU to ensure that its citizens have the freedom to move around without time-wasting checks and bureaucracy," said a Commission official. "It proves that however complex the issue quite a large number of member states of the Union are prepared to take big policy decisions and they are convinced it will really work."

The success of the project depends entirely on a solid, external border. The project could not proceed until participating countries were satisfied with security arrangements – at airports, ports, the Channel tunnel, and land borders such as those between Poland and Germany, and France and Switzerland.

But now a centralised computer system

located in Strasbourg is up and running, allowing police and immigration forces from the seven Schengen members to exchange information and co-operate.

"Immigration officers checking non-Schengen passengers on arrival will be able to check on the computer to see if someone is being chased by another Schengen police force," said a Commission official. "If one country does not want a person on their territory for whatever reason, then that person becomes an undesirable for all Schengen countries."

To the chagrin of British business travellers – who will still have to queue to show their passports when arriving on the continent – the UK has resisted entry to Schengen, partly on the grounds that it does not believe the arrangements for policing the external frontiers are tight enough. Ireland would like to join but not because the UK would automatically throw up border controls between Northern Ireland and the Republic.

Ironically, the UK's refusal to join

means that a Briton starting a journey in Portugal and continuing through Spain, France, Germany and the Benelux will only have to show his or her passport once – on arrival back in the UK.

"I think that once our British friends see that a traveller between Heathrow and Roissy faces the same controls as someone arriving from Washington they will see the sense of joining Schengen," said Mr Alain Lamassouire, French European affairs minister.

Denmark only has observer status in Schengen, torn between this and a special Nordic passport arrangement that allows free movement between Scandinavian countries. Although Finland, Sweden and Denmark are all members of the EU, Norway is not.

Italy and Greece have also delayed entry, mainly for technical reasons but also because they have not prepared the legislation necessary for the full exchange of data between police forces.

This means that until Italy joins – likely

to be next year – the Italian border with France will become an external Schengen border and people crossing by land may find themselves subject to stricter checks than before.

Another requirement for the success of the project has been agreement on a common system of visas for Schengen countries. In most instances the participating countries have agreed. Visitors from Switzerland, the US, Japan, New Zealand and Hungary for example will need no visa to gain entry to the area. Nationals from Iraq, Libya, Turkey, Nigeria, Morocco and Thailand, among others, will need a visa for the entire area.

But an almost insuperable stumbling block was reached with France, which for historical reasons has a significantly longer list of visa requirements than other member states. When it came to negotiating common visas, France would only compromise so far.

Rather than allow the disagreements to scupper the entire project, a "grey list" of

foreigners exists, some of whom require visas for certain countries while others do not. For example, Australians will only need visas for France and Spain, Brazilians for France and Croatia for Benelux countries.

"The consequence is that it now becomes possible for a Croatian to fly into Paris without a visa and cross into Belgium, where he will automatically become illegal," explained a Commission official. "They might decide to take the risk, but if stopped on the Brussels metro for travelling without a ticket they would be arrested and thrown out – either back to France or back to Croatia."

In spite of optimism about the system in Brussels, it is already clear that Schengen travellers would be unwise to leave their passports at home, at least for the first three months. The French have already declared that they intend to keep provisional checks in place for three months – until the presidential election campaign is over.

## Brussels builds first new airport for the new era

By Emma Tucker in Brussels

Across the European Union, airports have been rushing to construct special new terminals ahead of tomorrow, when border controls will be dropped between seven EU member states.

From then on, airport authorities in the Schengen area will have to distinguish between Schengen and non-Schengen passengers, and within the latter group between EU and other international travellers. For some the transition has involved the building of whole new terminals. At the smaller regional airports it will be left to personnel on the ground to sift arrivals.

A mini-Schengen-type arrangement already exists at London Heathrow airport's Terminal One, which distinguishes between flights from continental Europe and flights from Northern Ireland and the Republic of Ireland, treated as domestic arrivals. But Heathrow's expertise will be of little avail as the UK remains outside Schengen and will continue to check the passports of all passengers from the continent.

At Brussels' Zaventem airport a new terminal has been built with Schengen in mind. Although the expanses of gleaming chrome and marble separating one set of gates from another may well exhaust transit passengers – the airport has thoughtfully provided a shuttle bus for some of them – the new arrangements beat an early plan which suggested

construction of a "Berlin Wall" to cut the old, already cramped, terminal in half.

Armed with plans of the airport, extra staff will be laid on tomorrow and for the first few weeks to guide passengers to the correct areas, and the authorities have even painted a yellow line to guide non-Schengen arrivals in transit to Schengen destinations.

It sounds simple. In fact, the authorities have to deal with several permutations. Flights to Schengen countries will depart from one set of gates; flights to non-Schengen countries will depart from another; transfer passengers from one Schengen country to another will remain in the area where they land with no passport control; transfer passengers from non-Schengen countries to other non-Schengen destinations will also remain put, with no passport control.

Transit passengers from non-Schengen to Schengen countries will pass through passport control at arrivals, then follow the yellow line through the baggage reclaim hall to the Schengen departures area. Schengen to non-Schengen passengers will have to take a shuttle bus to cross the expanses which separate the two areas.

Meanwhile, the authorities are constructing a transfer corridor known as the "Gallery of Light" to ease the passage of travellers coming from non-Schengen destinations and headed for Schengen cities and vice versa. This will open later this year.

## Strasbourg computer keeps wary eye on borders

By Andrew Jack in Paris

The historic city of Strasbourg, which already has influence beyond France thanks to the presence of the Council of

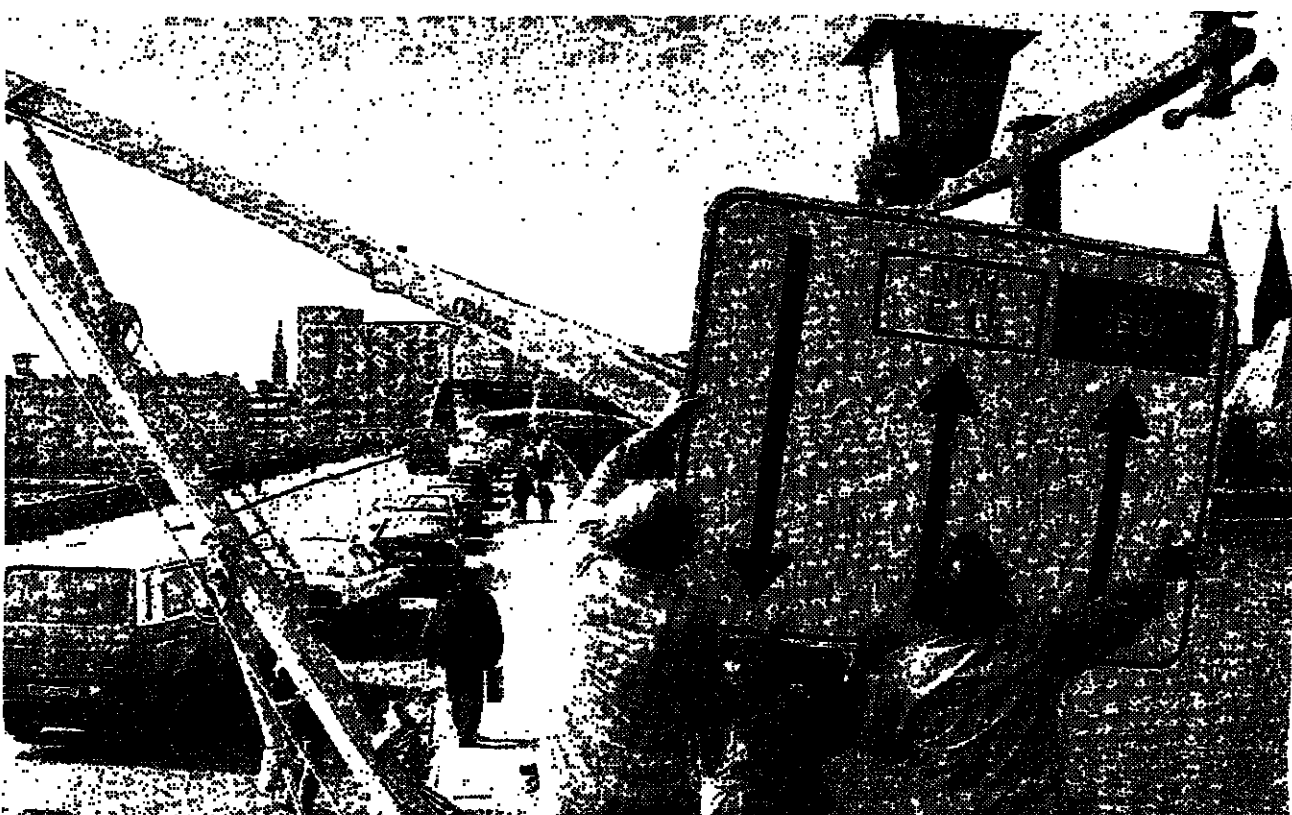
Europe and the European Parliament, will gain a powerful new technological role from the start of next week as home to the operational backbone of the Schengen Accord.

### The Schengen pact and the visa issue\*

- Seven EU countries tomorrow fulfil the promise contained in the Single European Act to treat travellers between their countries as if they were on domestic journeys
- Non-EU travellers arriving in one country will be able to move between these countries without further checks
- All this already happens at most land borders; from tomorrow it also happens at airports
- However, visa arrangements could remain cumbersome for non-EU travellers, some of whom will still need visas for separate countries

| Countries needing no visa for the area | Countries needing a single visa | Countries needing visas for some specific states |
|--|---------------------------------|--|
| Argentina                              | China                           | Australia  |
| Canada                                 | India                           | Bolivia  |
| Cyprus                                 | Libya                           | Brazil   |
| Hong Kong                              | Morocco                         | Colombia   |
| Iceland                                | Nigeria                         | Croatia  |
| Japan                                  | Thailand                        | Jamaica  |
| New Zealand                            | Turkey                          | Mexico   |
| Norway                                 | St Kitts                        | Singapore  |
| South Korea                            | Sierra Leone                    |  |
| Switzerland                            | Vietnam                         |  |
| US                                     |                                 |  |

\* The lists of countries needing visas are examples and should not be considered exhaustive



Workers set up new signs at a German-Polish border crossing, showing a lane each for EU and non-EU citizens

## Chechnya victory claimed

By John Thornhill in Moscow

Russian forces yesterday claimed they had seized control of one of the last centres of Chechen resistance, amid signs that the government was stepping up efforts to finish the bloody military campaign in the breakaway region.

The 14-week war, which has resulted in thousands of casualties and hundreds of thousands of refugees, has badly tarnished Russia's image abroad and put an increasing strain on the government's finances.

The Russian government press service yesterday announced that the rebel stronghold of Argun, 15 miles east of Grozny, had been captured on Thursday evening and that Chechen resistance in other towns was also being suppressed.

"Under pressure from federal forces, the commanders of the groups of fighters are withdrawing their forces from Gudermes and other inhabited

areas in the south-east of the republic, including Serzhun-Yurt and Shali," a Russian official said. Such reports have proved exaggerated in the past and there was no independent confirmation of them.

Chechen fighters have vowed to continue a guerrilla war from the Caucasian mountains if they are driven out of their urban strongholds. But Mr Dzhokhar Dudayev, the Chechen leader, still held out the prospect of a peaceful end to the conflict.

Mr Victor Chernomyrdin, Russia's prime minister, yesterday said a peaceful solution was essential for economic reform, as the conflict was beginning to strain the country's financial position. "There are grounds for concern about spending on Chechnya and... we need a peaceful settlement for reforms to continue, but the economic price of the conflict does not yet reach beyond the framework of the 1995 budget," he told regional and government leaders.

A European parliament delegation in Moscow yesterday

added to the international condemnation of continuing human rights violations in Chechnya. Mrs Constanze Krehl, the German MEP who led the delegation, called for an immediate ceasefire. She said the international community must apply more pressure on Russia but stopped short of calling for economic sanctions.

Mrs Krehl said it was impossible to know how many people had been killed in Chechnya. Russia's human rights commission has estimated that 24,000 people have been killed although official government figures are considerably lower.

The EU is to double humanitarian aid targeted at Chechnya to a total of £2m (£7.9m). The United Nations has also appealed for a further £23m (£14m) of emergency aid to help the 300,000 refugees who have fled to the neighbouring regions of Dagestan, Ingushetia and north Ossetia. Reform, up to a point, Page 9

## Bosnia Serbs admit deaths

By John McKay in Belgrade

More than 100 Bosnian Serb soldiers have been killed or wounded in the past three days as troops of the Muslim-led Bosnian government continue an offensive aimed at capturing two strategic heights.

As a three-month truce, previously marked by sporadic clashes, escalated into open combat, particularly in north-east Bosnia, the Bosnian Serb side yesterday made a rare acknowledgement of heavy losses.

Confirmation of Bosnian government advances on the fifth day of their offensive on two fronts also came yesterday when the Bosnian Serbs admitted that more than 1,000 Serbs had been forced to flee government troops advancing on the villages of Babanovce, Devcane and Galice in central Bosnia. The Bosnian Serbs also reported clashes yesterday in Trebeva and Doboj in the north and at Mount Ozren, north-east of Sarajevo.

However, the main battles

are for Serb emplacements overlooking Travnik in central Bosnia and Tuzla in the north-east. The heaviest fighting in the past day has been at Mount Majevica, overlooking Tuzla. UN sources have confirmed that more than 2,000 Muslim troops are engaged in the offensive at Majevica.

The Bosnian Serb military believes the Sarajevo government is intent on capturing the Majevica heights to open the way for an attack on nearby Stolice. This is the site of Bosnian Serb transmitters and relay stations for telecommunications and television – critical to their military and political position in the country.

The capture of Majevica and Stolice would also open the way for the Muslim government to attack a narrow corridor between the eastern and western parts of the self-declared Bosnian Serb republic.

Bosnian Serb authorities in the town of Bijeljina, 30km north-east of the Majevica

heights, confirmed by telephone that more than 100 Serb soldiers had been killed and wounded. A radio reporter who has been visiting the local hospital in the past three days has seen scores of dead or wounded Serb soldiers who had been evacuated from Majevica to the town, near the Drina river, which marks the border between the Serb-led remnants of former Yugoslavia and the so-called Bosnian Serb republic. For its part, Muslim radio in Tuzla said 150 Serbs had been killed at Majevica.

There were no reliable casualty figures available for the fighting over the past few days on the slopes of Mount Vlasto, in central Bosnia. However, in both cases the Bosnian Serb military command maintained yesterday that their lines had held and reinforcements had been sent in.

THE FINANCIAL TIMES  
Published by The Financial Times (Europe) GmbH, Niederlammstrasse 3, 60318 Frankfurt am Main, Germany. Telephone +49 (0) 188 330. Fax +49 (0) 188 330 451. Telex 416193. Registered in Frankfurt by J. Walter Brand, Wilhelmstrasse 1, 60318 Frankfurt am Main. Chairman, Colin A. Kennedy. Managing Director, David C. Miller. Deputy Chairman, Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany) Advertising Ltd, London. Shareholder in the above mentioned two companies is The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, GERMANY.

Responsible for Advertising, Colin A. Kennedy. Printer: DVM Druck-Vertrieb und Marketing GmbH, Adm.-Rosenstrasse 3, 60528 Frankfurt am Main. (Printed by Huetten International). ISSN 0174-7267. Responsible Editor: Richard Lambert, of The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, GERMANY.

Responsible for Distribution, Colin A. Kennedy. Director: D. Good, 148 Rue de Rivoli, F-75004 Paris Cedex 01. Telephone (01) 4297-0621. Fax (01) 4297-0629. Printer: S.A. Nord Editeur, 1521 Rue de Caen, F-91000 Rodanville Cedex 1. Editor: Richard Lambert. ISSN 1144-7753. Commissionaire: Parireno No 07080.

Responsible Publisher: Hugh Corry, +48 618 6888. Printer: AB Kvitlingdalen, Expressen, PO Box 6007, S-550 06, Jonkoping.

© The Financial Times Limited 1995. Editor: Richard Lambert, of The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, GERMANY.

## Spanish applaud returning fishermen

David White in Vigo hears fighting talk from the trawler seized by Canada

A welcome worthy of a troop ship returning from some distant campaign greeted the freezer trawler Estai on its arrival at its home port.

Two weeks after being seized on the high seas off Newfoundland and becoming the centre of a diplomatic conflict between the EU and Canada, the Estai was escorted into harbour at sunset on Thursday by a flotilla of about 20 boats sounding sirens. Most of the local corps of dignitaries went out to meet the now famous trawler.

"The Estai's future is our future," proclaimed a banner

on the quayside, where several thousand waited. "Less farce and more fight," said another.

Fishery inspectors, including two EU officials, were yesterday completing an examination of the boat and its frozen catch, after Canadian claims that it was using illegal nets.

Amid the celebration over the Estai's homecoming there were rumblings of criticism in fishing and official circles about the owner's decision to obtain the vessel's release by paying a Canadian court bond.

"I wouldn't have done it," Mr Carlos Gonzalez Principe, Vigo's socialist mayor, said. While the trawler was

detained, it was "a big emotional issue, and the Canadians did not have a way out." But the company, Armadora Jose Pereira, said it had to cut its losses. Its catch, valued at Pta160m (£766,000), was worth three times the cost of the bond.

Mr Carlos Bonzada, the company's lawyer, said its future was still at risk because of the incident, the loss of a month's fishing by the Estai and the confiscation by Canada of part of the catch.

It is now seeking Madrid's permission to send two other trawlers back to the conflict area, along with the 16 Vigo-

based vessels still there despite Canada's warning that their activity could undermine talks with Brussels.

Nobody would contemplate the idea of suspending fishing or allowing Canada to set a precedent for countries imposing their authority in international waters.

Vigo, the main base in Europe for long-distance trawlers, depends on fisheries for 35 per cent of its economy and about a fifth of its jobs, according to the mayor.

Mr José Ramón Fuentes, managing director of the Vigo Trawler Owners, Co-Operative, said that in any event there

would not be enough work for the 36 Vigo-based vessels dedicated to fishing for Greenland halibut off Canada, even if the EU managed to maintain the 18,630-tonne quota which it has set for itself. "If the quota is lowered, I think we would be letting the Canadians win – by force," he said.

Crew from the Estai had stronger things to say. One, Mr Manuel Nogueira, said: "Canada has just been laughing at Europe and at us."

"Next time," said his companion Mr Julio Figueiredo, "either Spain and Europe settle this, or we'll take machine guns along too."

Once in a generation -  
a truly great thriller

KOLYMSKY  
HEIGHTS

LIONEL DAVIDSON

'Possibly better than any other thriller  
over the past twenty-five years'

DAILY MAIL

'One of the most powerful thrillers  
I have ever read'

THE TIMES

'Thriller of the year, if not the decade'

COUNTRY LIVING

'A tremendous thriller'

OBSERVER

'Masterly. A triumph'

SUNDAY TIMES

AVAILABLE FROM WH. SMITH'S, WATERSTONE'S  
AND ALL GOOD BOOKSHOPS

£5.99



## INTERNATIONAL NEWS DIGEST

## Bonn to check weapons used against Kurds



Germany's foreign ministry is launching an investigation into allegations that weapons used by Turkey against Kurdish rebels in northern Iraq were supplied by Germany.

The allegations were made by Mr Lothar Mann, a retired east German colonel who told ARD, Germany's main television channel, that Soviet-built BTR-60PB armoured vehicles currently used by the Turkish forces in northern Iraq, came from the weaponry stock of the former east German army. A foreign ministry spokesman said it has asked its embassy in Ankara to investigate the matter. Bonn has been supplying Turkey with military hardware since 1962. More recently it has provided it with equipment from the disbanded east German army on condition that Ankara use these weapons only to defend the country, and not in internal conflicts.

Mr Klaus Kinkel (above), German foreign minister who held talks earlier this week with Mrs Tansu Ciller, Turkish prime minister, said if the allegations were true, Bonn would "use all means at its disposal" to stop the use of German weapons. Mrs Ciller has already given assurances to the foreign ministry that any equipment would be used for Nato purposes only and the Turkish military yesterday denied it was violating the German ban. *Judy Dempsey, Bonn*

## IMF withholds Belarus loan

The International Monetary Fund, which has recently pledged substantial financial support for Ukraine and Russia, is adopting a tougher stance in talks with Belarus by withholding a \$200m (£157m) loan. The IMF said it wanted to see more evidence from the Belarusian government of its commitment to implementing reform before it disbursed additional funds. The former Soviet republic has already received \$300m of loans from the IMF. The IMF has criticised Belarus for failing to restrain wage rises and delaying its privatisation programme, prompting Mr Mikhail Chigir, the prime minister, to retort that the fund simply did not understand the government's policies. Mr Alexander Lukashenko, president of Belarus, has promised to press ahead with privatisation but is still locked in dispute with the country's Soviet-era parliament, which he has accused of being obstructive and dishonest. *John Thornhill, Moscow*

## US trade offer to West Bank

Mr Bill Clinton, US president, yesterday extended preferential trade treatment to imports from the Israeli-occupied West Bank and Gaza Strip. Mr Clinton told Congress in a letter that he was designating the West Bank and Gaza as a beneficiary of the Generalised System of Preferences, which offers duty-free access to the US market. He said his decision applies only to goods produced in the areas for which arrangements are being made for Palestinian interim self-government. *Reuter, Washington*

## FFr9.49bn French trade surplus

France maintained its strong trade performance in January, recording a surplus of FFr9.49bn (£1.2bn) for the month, a slight fall on the FFr9.5bn achieved in December. Customs officials said the statistics revealed continued strength in manufactured products and in exports of energy and metals. A slight fall in overall exports, from FFr117.4bn to FFr115.3bn, reflected a decline in the number of Airbus aircraft sold, from 15 to three.

Imports remained relatively stable at just under FFr106bn, with purchases of consumer goods remaining weak. The customs office said, however, that imports of semi-finished and intermediate goods had continued to rise. France's trade surplus with the rest of the European Union jumped from FFr2.78bn in December to FFr4.15bn, despite a FFr1.05bn deficit with Germany. The trade deficit with the US narrowed from FFr1.15bn, to FFr1.06bn, and widened slightly with Japan, from FFr1.4bn to FFr1.8bn. *John Ridding, Paris*

## Warning on corruption in Italy

Mr Francesco Saverio Borrelli, who heads Milan's team of anti-corruption magistrates, yesterday warned Italians not to fall into a state of "generalised amnesia" about the corruption scandals which in three years have torn through Italian public life. Mr Borrelli said the country had to continue with the "Tangentopoli" ("Crimesville") investigations. "The problem is not how to get out of Tangentopoli, but how to penetrate to its core and take it by storm, raise it to the ground and spread it with salt," he said. *Andrew Hill, Milan*

## Spratlys row 'can be resolved'

China and the Philippines have sought to play down differences over disputed islands in the South China Sea, saying the issue could be resolved amicably. Mr Romualdo Ong, the Philippines ambassador in Beijing, told reporters yesterday that the Spratlys dispute was a "complex question and cannot be resolved quickly". Mr Ong was speaking a day after Manila announced it had destroyed Chinese markers in disputed waters that lie within the Philippines' 200 nautical miles exclusive economic zone.

On Thursday a Chinese foreign ministry spokesman called for "peace and tranquillity" in the South China Sea, but reiterated Beijing's claim to sovereignty over 80 per cent of the area. On Wednesday Beijing and Manila concluded three days of talks without resolving a row over China's building of structures on reefs within the Philippines' exclusion zone. China is in dispute with many of its neighbours over the potentially oil-rich South China Sea. It says the sovereignty issue is non-negotiable, but is willing to discuss compromise arrangements for the joint exploitation of the region's resources. *Tony Walker, Beijing*

## BAT poised for Cuba venture

British cigarette maker BAT Industries, through its Brazilian subsidiary Souza Cruz, is poised to become the first overseas investor to gain a stake in Cuba's cigarette manufacturing industry. Sir Patrick Sheehy, BAT Industries chairman, and Mr Antonio Monteiro de Castro, Souza Cruz' chairman, said the Brazilian company had signed a letter of intent to set up a 50-50 joint venture with Cuban partners to produce brands of black and blended tobacco cigarettes for sale in Cuba's hard currency sector and for possible export. *Pascal Fletcher, Havana*

## Anti-chlorine advert withdrawn

An anti-chlorine advertising campaign by Swedish pulp manufacturer, Sodra Cell, has had to be withdrawn, amid legal claims for damages by the European chemical industry. Showing an old toilet with the caption "not even in here should you use chlorine any more", the Sodra Cell advertisement claimed chlorine use was "being drastically reduced everywhere". Sodra Cell does not use chlorine but it is used by many other pulp manufacturers.

The chemical industry, which is becoming more aggressive in fighting off environmental claims, argued that the advertisement was unsubstantiated. Complaints have been made in the UK, Italy and France. *Jenny Luesby, London*

## Japan distracted by political infighting

By William Dawkins in Tokyo

The power struggle between Japan's ruling Liberal Democratic party and the bureaucracy intensified yesterday when government ministers called for the resignation of Mr Jiro Saito, the vice finance minister and the country's most powerful civil servant.

The outcome of the dispute will affect the way policy is made in the ministry that manages the world's second largest economy, controlling spending and revenue for the state budget, financial regulation, and monetary and exchange rate policy.

The latest infighting is a political distraction at a time when Japanese industry is begging for the coalition government to take action to curb the yen's rise which has reached new

records this week and is threatening to choke a weak economic recovery.

Mr Saito is being blamed for failing sufficiently to supervise subordinates who had accepted lavish entertain-

ment from Mr Saito and five colleagues over the handling of the affair.

Government officials suspect the LDP's strategy is to exert authority over the ministry by influencing the

## Saito's early removal would create little disruption to economic policy, and allow the LDP to demonstrate its authority

ment from Mr Harunori Takahashi, a maverick property developer and president of one of the credit unions.

Yet the LDP's real motivation for trying to oust Mr Saito runs deeper than seeking atonement for the credit union row. That was achieved 10 days ago, when Mr Takemura officially re-

named Mr Saito and five colleagues over the handling of the affair.

Cabinet members, meeting informally, asked Mr Masayoshi Takemura, the finance minister, to consider dismissing Mr Saito. All, except Mr Takemura himself, agreed with

the request, said Mr Ryutaro Hashimoto, minister for international trade and industry. Mr Takemura, head of the smallest party in the government coalition, offered no opinion.

Mr Saito's second year-long term runs until the end of the current parliamentary session in mid-June, when all government officials traditionally change jobs.

It is unusual for a vice finance minister to stay for two years, a privilege reserved for exceptionally strong performers. Former two-term vice finance ministers include the current heads of the Bank of Japan and Tokyo Stock Exchange.

Accordingly Mr Saito's early removal would create little practical

disruption to economic policy, while allowing the LDP to demonstrate its authority, argue political analysts.

The LDP's war against the finance ministry began just over a year ago, when the party was languishing in opposition for the first time in 38 years.

That was when Mr Saito turned away from the former party of government - in the LDP's perception - in favour of Mr Ichiro Ozawa, the backroom mastermind of the coalition administration of the time.

Mr Saito, with the help of Mr Ozawa, persuaded the former coalition to propose a controversial rise in sales tax. Two governments later, the current LDP-led coalition wobbled down the plan and put it through parliament.

## Good times roll for newsprint suppliers

Deborah Hargreaves and Bernard Simon analyse the effects of a world shortage facing publishers

The world's 35m-tonne newsprint market is on a roll. Newsprint suppliers are holding the world's powerful press magnates to ransom as they push up prices amid severe supply shortages.

This is forcing publishers worldwide to cut print runs, reduce editorial space and raise cover prices as newsprint mills make the most of one of the industry's rare upturns. Prices are heading towards the peak of six years ago.

The New York Times will raise the price of its Sunday edition on April 2 from \$2 to \$2.50 to reflect higher newsprint costs.

At the same time, after the deep recession and tumbling prices of the early 1990s many companies failed to anticipate the strength of the recent upswing and have been slow to develop new capacity plans.

Most North American producers are unable to meet customers' orders and have instituted an informal rationing system. Montreal-based supplier Kruger has told all customers that their supplies will be trimmed by 10 per cent from April 1.

"Companies are playing favourites," said one consultant.

One company which is not a current favourite is the largest buyer of newsprint in Britain, Mr Rupert Murdoch's News International group. Mr Mur-

doch has been forced to cut supplies of all his British titles to wholesalers and newsgates because he cannot get hold of newsprint.

Similarly, a buyer for one of the US's largest publishers, was asked recently by two suppliers if he could skip an entire month's supply to enable them to get on top of deliveries.

The market has been taken aback by unrelentingly strong demand from the Far East, mainly Korea, Taiwan, Malaysia and Indonesia.

Newsprint demand in Korea and Taiwan grew by 8 per cent last year amid newspaper deregulation and aggressive marketing.

Improving literacy rates across the region have also contributed to rising demand, particularly in China.

Japan is expected to show a 2.9 per cent rise in consumption this year with its own production falling short.

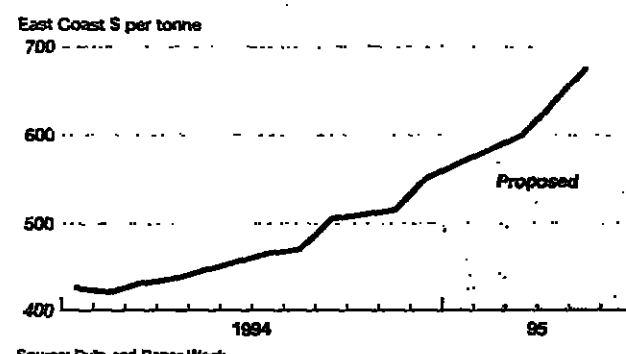
Demand from Asia has been sucking supply from the North American and European markets creating shortages and higher prices.

The Canadian Pulp and Paper Association reports that Canada's newsprint exports to Asia soared to 907,200 tonnes last year from 781,800 tonnes in 1993.

Prices are substantially higher in south-east Asia than in other parts of the world. As one North American newsprint

consultant puts it: "If you can get \$1,000 a tonne free alongside ship as opposed to \$700 delivered somewhere in the US, which one would you take?"

## Escalating cost of newsprint



In continental Europe, prices have risen by between 20 and 25 per cent in the first half.

One publisher commented that it was almost impossible for a newcomer to get even 50 tonnes of paper in Germany.

"The market has turned significantly. Rising newspaper sales, particularly in Britain, have led to higher demand and this is combined with very little new capacity coming on stream," said Mr Tim Rothwell, paper and printing analyst at Barclays de Zoete Wedd, the London brokers.

British suppliers put newspa-

pers on six-monthly contracts at the end of last year when prices started to rise. This broke with the tradition of selling 75 per cent of UK supplies on yearly deals.

At the beginning of this year, mills forced through a 15 per cent increase in price bringing levels to \$365 a tonne and publishers are bracing themselves for further increases in June. This is likely to return prices close to their 1989 peak of \$450 a tonne.

Mr Murdoch is believed to have resisted the price increases and failed to secure all of News International's supplies on contract in the belief that the company would pick up supply more cheaply on the spot, or daily, market.

However, spot supplies in

the UK have dried up and, although newsprint mills believe some Russian material will be available later in the year, this is likely to be sold for \$500 a tonne.

Suppliers say News International has only itself to blame for its predicament. It squeezed large discounts from them last year to fund its price war with other publishers.

Market watchers believe that Mr Murdoch obtained a 30 per cent discount on newsprint prices last year taking his costs down to \$315 per tonne. This would have saved him an estimated \$44m which was enough to bankroll the price war which is believed to have cost \$45m.

UK consumption was up by 11 per cent last year to 2.2m tonnes from 1.9m tonnes in 1993. European demand rose by five per cent over the same period at a time when new capacity is scarce.

North American supplies are stagnant. Several mills which shut down during the recession have yet to reopen, and there are very few new projects coming on stream.

US and Canadian capacity, totalling 16.3m tonnes, is virtually unchanged from a year ago.

Temporary bottlenecks have also disrupted the market. A labour dispute shut three

Fletcher Challenge Canada mills in British Columbia for five weeks after Christmas. Likewise, strikes and lockouts have brought Canada's rail system to a virtual halt over the past week.

Many analysts in North America believe suppliers should enjoy the good times while they last as prices could be close to a peak. Mr George Adler, analyst at Smith Barney in New York, says: "The peak is not far away."

Mr Adler expects newsprint prices to level off - and perhaps fall - in the second half of this year as higher newspaper cover prices and a slowdown in overall economic growth begin to hurt circulation and advertising. "Newsprint is the most price-elastic of all the paper grades," he notes.

European market watchers are more sanguine about the outlook for this year and some even believe demand will outstrip supply for the next two years.

But when the market does go into reverse, the speed could be as unsettling as it has been in the recent period of rising prices.

Some publishers may be hoarding stocks to protect themselves from further price increases. And if history is any guide, new capacity will come on stream just as the market turns.

## IMF SPRING MEETING

## SDR débâcle gives way to Mexico fears

By George Graham in Washington

Six months ago, when finance ministers and central bankers gathered in Madrid for the IMF annual meeting, the question of whether to issue more special drawing rights, the Fund's own quasi-currency, seemed the most important issue in the world.

It was certainly important enough for the meeting to dissolve in a flaming row that pitted industrialised against developing countries.

This week, however, Mr Philippe Maystadt, Belgium's finance minister and chairman of the interim committee, the IMF's policy-making body, dropped the issue from the agenda for next month's spring meeting. He concluded he could not bridge the gap over how many SDRs to issue, and to whom.

Mr Michel Camdessus, the IMF's managing director and the most ardent proponent of a new SDR allocation, was livid, though he has not given up all hope of reviving the question.

Some of the poorest nations will also be disappointed not to receive the hoped-for injection of SDRs, a basket of currencies which also functions as a reserve asset. But scarcely a sound was heard from the industrialised countries and larger emerging nations who funded so viciously in Madrid.

After the financial débâcle over Mexico, the Madrid debate now seems beside the point. The more important question is how to improve international economic surveillance to prevent future Mexico, and how to deal with them if they do happen.

Mr Camdessus was virtually alone in arguing that an issue of as much as \$100bn SDRs (\$33.75bn) was needed to address an international liquidity shortage. The Group of Seven leading industrial nations felt only those which had not received past allocations - mostly in eastern Europe and the former Soviet Union - needed new SDRs.

Even Mr Camdessus has

moved on. In a speech this month he outlined ambitious plans for prevention and cure of future Mexico, by strengthening the IMF's ability to act as an early warning system, and increasing its financial capacity to respond to emergencies.

He argued for an early increase in quotas to strengthen the IMF's capital base, and for improvements to the Enhanced Structural Adjustment Facility, through which the IMF lends at heavily subsidised interest rates to the very poorest countries. He also proposed a "last resort financial safety net for the world" to be financed by an issue of SDRs that member countries would then lend back to the IMF.

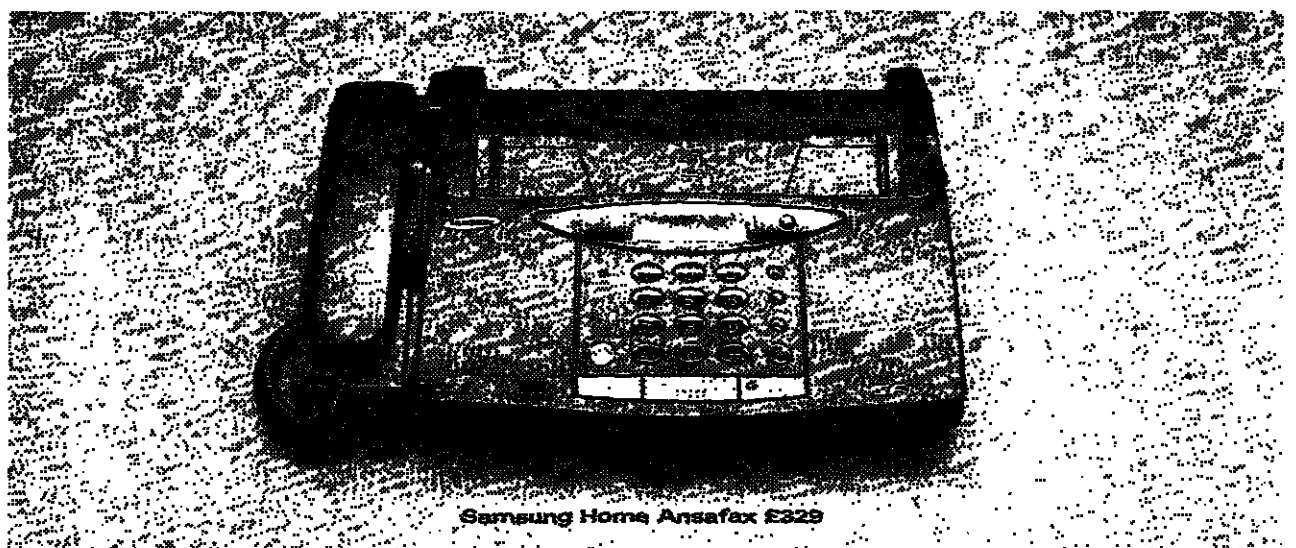
IMF directors were due to discuss Mr Camdessus' proposals at a board meeting yesterday. The developing countries are expected to support him, but his latest scheme for using SDRs faces unyielding opposition from the same G7 finance ministries which killed the proposal for a general issue - principally Germany, the US and the UK.

Nevertheless, the question of whether the IMF needs more resources will not go away after the Mexican crisis. Since it broke all its lending limits with a \$17.8bn loan to Mexico, more than half of the IMF's outstanding resources are now committed to that country and Russia. No commercial bank would dare to allow such a degree of concentration.

Mexico has sharpened the discussion, but has not improved prospects for agreement on a special facility. European governments are still angry the Mexican bail-out rescued foreign investors as well as the government.

Mr Maystadt says that a special facility can only hope for consideration if its loans carry strong conditions. He will propose the more immediate solution of expanding the General Arrangements to Borrow, an SDR18.5bn credit line on which the IMF can draw from the Group of Ten industrial nations and Saudi Arabia.

## LICKS STAMPS.



The Samsung SF800 Home Ansafax ensures all messages are delivered first class, on time, 24 hours a day. Combining fax, digital answerphone and photocopier with LCD display, it features Auto Fax/Tam switching. This means it instantly switches from fax to answerphone depending on the incoming message. Just the sort of technology you'd expect from a world class electronics manufacturer. And while your living room may start to operate like an office, the SF800's stylish design means it won't end up looking like one. It's designed to be easy on the pocket too, at just £329. For more information, complete the coupon and place in one of those quaint red boxes.

For full details of fax machines from the world's 3rd largest electronics company send the completed coupon to: Samsung Electronics (UK) Limited, Samsung House, 225 Hook Rise South, Surbiton, Surrey KT6 7LD.

Name  Address   
Postcode  Telephone No.

**SAMSUNG**  
ELECTRONICS  
TECHNOLOGY  
THAT WORKS  
FOR LIFE

## Jurek Martin finds discontent in the Grand Old Party

But the story of the week, dwarfing the achievements, was of budding discontent. And this time differences emerged not only between House and Senate Republicans but among those in the House that has so far pretty much answered to the every bidding of Mr. Newt Gingrich, the Speaker.



line. But this week's stirrings in the Republican woodwork, continued resistance in the Senate and much sharper critiques by the Clinton administration suggest the revolution may yet be less than promised.

"January and February marked a turning point for the economy," said Mr. David Wyss, chief economist at DRI-McGraw Hill, the forecasting group. He said he still expected the Fed to pull off the "fabled soft landing" but was increasingly worried that the economy was heading for outright recession.

Economists warned against reading too much into the orders figures as the series is erratic on a monthly basis. Data for January were revised up to show an increase of 1.4

## FINANCIAL TIMES

**Tel: +4**

\* For telephone see local directory. †Net of bank rate tax. CAR = Annual yield after interest compounded. 25/3

*Your guarantee  
of certainty*

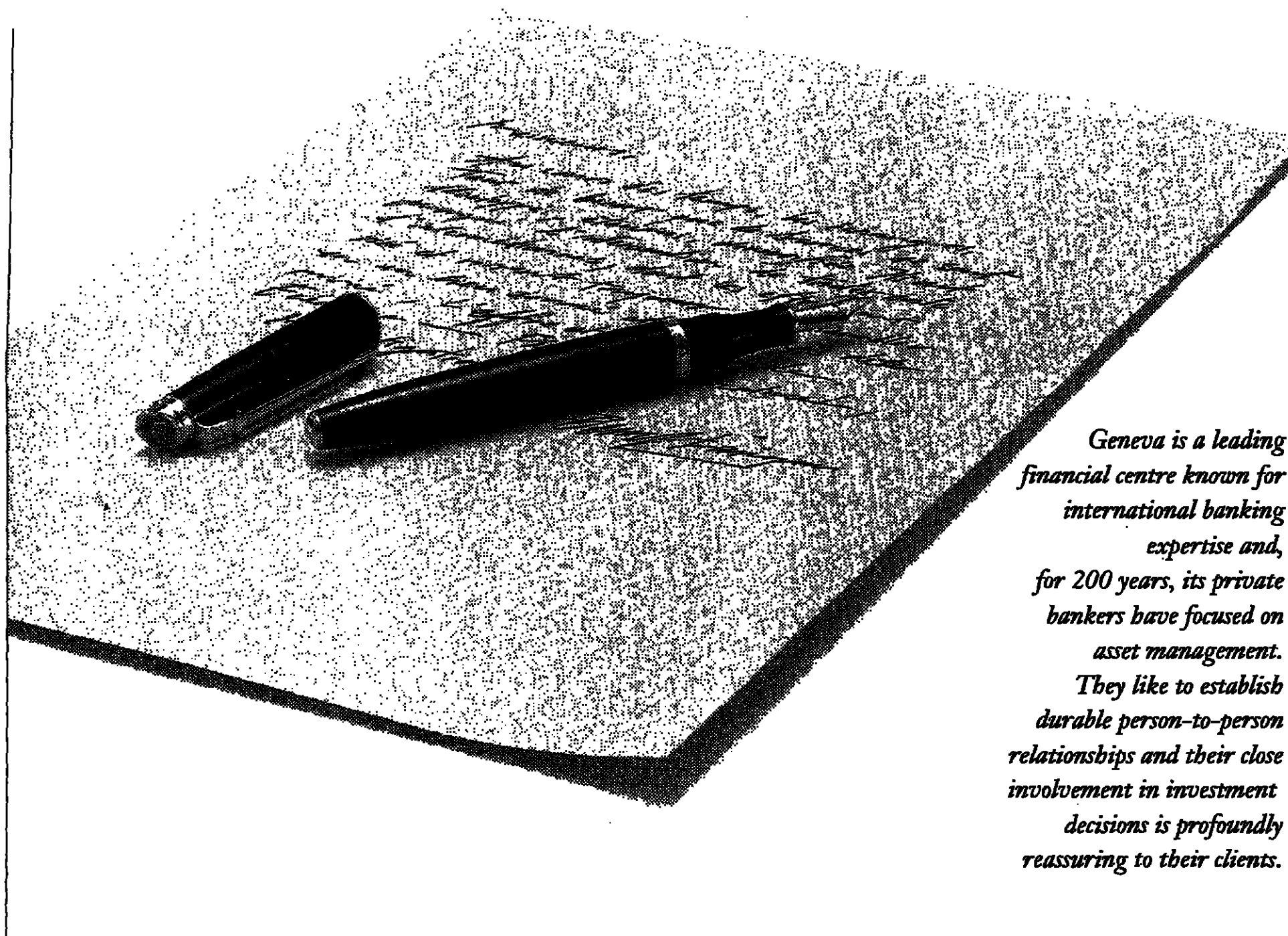


Telephone Access - 24 hours a day - 365 days a year. INSTANT ACCESS, 90 DAY, HIGH, MONTHLY INCOME, TERM, TESSA. Asset is a division of the Bristol & West Building Society



150/11/11

*It is comforting to entrust one's assets to a Geneva private banker.*



*Geneva is a leading financial centre known for international banking expertise and, for 200 years, its private bankers have focused on asset management. They like to establish durable person-to-person relationships and their close involvement in investment decisions is profoundly reassuring to their clients.*



## GENEVA'S PRIVATE BANKERS

*Liberty · Independence · Responsibility*

**In Geneva:**

**BORDIER & Cie - DARIER HENTSCH & Cie - LOMBARD ODIER & Cie - MIRABAUD & Cie - PICTET & Cie**  
(1844) (1796) (1798) (1819) (1805)

Creative Business

"The Groupement des Banquiers Privés Genevois is not regulated in the United Kingdom and does not conduct investment business in the United Kingdom. The protection afforded to investors under the UK regulatory system would not apply and compensation under the Investors Compensation Scheme would not be available. This advertisement has been approved by Lombard Odier Private Asset Management Limited and Pictet Asset Management UK Limited, members of IMRO"



NEWS: UK

# Irish PM demands faster progress on peace

By John Murray Brown  
in Dublin  
and John Mason in London

The government of the Republic of Ireland yesterday urged the British to hold face-to-face talks with Sinn Féin, the political wing of the Irish Republican Army, its call underlined frustration that the two sides had been unable to find a formula to address the decommissioning of illegally-held arms.

Mr John Bruton, the repub-

lic's prime minister, said the two sides should be able to break the impasse. In apparent criticism of London's demands that Sinn Féin first give assurances on the arms issue, Mr Bruton said the talks should avoid becoming a one-item agenda. "I think you have to deal with all the issues in parallel," he said. "I don't agree with the concept of a one-item agenda. I don't believe you have to dispose of one item before dealing with the others." Meanwhile the British

government's Northern Ireland office followed moves earlier in the week to withdraw the first soldiers from the province and announced the end of routine army patrols in Belfast, the capital, and other districts. This effort to entrench the peace process was balanced by the government's insistence that Sinn Féin had to move further on decommissioning before any meetings with ministers could take place.

Downing Street sources said nothing had changed since

Thursday when the Northern Ireland Office wrote to Sinn Féin. Replying to British proposals for ministerial talks, Sinn Féin sought to replace the decommissioning of arms with the "demonstration" of all arms including those held by the British army and the Royal Ulster Constabulary. Mr Pat Doherty, a member of Sinn Féin's national executive, said the party would discuss all items, but said demilitarisation must be on the agenda. Mr

Bruton's comments appeared to give some weight to Sinn Féin's position. He also issued a direct appeal to all paramilitary groups in Northern Ireland to make a unilateral move on arms. At the Dublin meeting of the opposition Labour party, the Irish government's National Forum for Peace and Reconciliation, Mr Bruton declared: "I will speak very directly to those in the paramilitary organisations who still have stocks of guns, which, by their own declaration, they don't

have any use for. If they are committed to peace, these guns are no longer necessary. Please get rid of them. Please tell us that you are going to get rid of them. Then everybody will feel more secure." The British government is expected to give a response to Sinn Féin's reply in the next day or so. But London remains adamant that discussion of the police or questions of military deployment should not be included in this exploratory dialogue.

# Labour dilutes threat to Murdoch empire

Kevin Brown on what the party once called 'an unacceptable concentration of power'

A Labour government would relax media cross-ownership regulations and allow Mr Rupert Murdoch's News Corporation to keep all its UK newspapers, according to senior party officials.

News Corporation owns The Sun and News of the World, the UK's top-selling daily and Sunday newspapers. It also owns the mid-market tabloid Today as well as The Times, the 210-year-old daily once known as "The Thunderer", and the Sunday Times, the country's largest and top-selling broadsheet Sunday paper.

Proposals being drawn up with the approval of Mr Tony Blair, Labour party leader, would impose a more "rational" framework for media ownership, using a points system based on the overall impact of interests in different media sectors.

The intention would be to promote greater media diversity while abolishing arbitrary rules that prevent newspaper publishers from owning more than a small fixed share of commercial television companies.

The proposals will anger campaigners for greater media diversity, who are pressing Labour to stand by its 1992 general election commitment to set up a Monopolies and Mergers Commission inquiry into the concentration of ownership.

The promise of an inquiry was repeated in 1993 by Ms Ann Clwyd, then shadow heritage secretary. She told the

## An outsider invades the newspaper business



1986 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers. Labour MPs refuse to contribute articles, letters or comments to Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1986 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers

1987 Print unions call off dispute with Murdoch. Labour party drops boycott

1988 Sun circulation reaches record 4.3m

1992 June Sun editor says his paper won election for Conservatives led by Thatcher's successor, John Major

1992 Dec Murdoch papers start to turn against Major. Sunday Times says his government is held in "unprecedented contempt"

1993 Murdoch cuts prices of Sun and Times to boost circulation. The Times at 20p (32c) suddenly becomes one of the UK's cheapest newspapers and circulation soars

1994 Murdoch says in interview with Der Spiegel that he could "even imagine supporting the British Labour leader, Tony Blair"

1995 Murdoch beats Robert Maxwell in race to acquire News of the World, nation's top-selling Sunday newspaper

1989 Acquires The Sun, selling pro-Labour broadsheet, with circulation of 650,000

1970 Sun, now tabloid rival to top-selling Daily Mirror (5m circulation), backs Labour government in general elections. Labour defeated

1978 Sun circulation approaches 4m and overtakes Daily Mirror

1979 Sun backs Conservatives led by Margaret Thatcher in general election. Thatcher wins. Sun editor later receives knighthood

1981 Thomson Organisation of Canada sells London Times and Sunday Times to Murdoch after years of union disruption. Thatcher government declines to refer acquisition to Monopolies and Mergers Commission

1982 Murdoch threatens to close London Times unless union disruption ceases

1983 Murdoch concentrates most of his UK newspaper production in single plant at Wapping, east London; dismisses most of previous unorganised workforce. Unions and Labour party urge their members to boycott Murdoch papers



# Rolls-Royce calls for £331m to fund US buy

By Tim Burt

Rolls-Royce, the aero-engine manufacturer, yesterday launched a £331m share issue to fund its acquisition of Allison Engine Company, the US military engine supplier.

The £331m (£220m) takeover, first announced last December, should strengthen Rolls-Royce's competitive position in the important North American market, where it is one of the few European challengers to General Electric and Pratt & Whitney.

Sir Ralph Robins, Rolls-Royce chairman, said the group would use its international marketing and sales force to promote Allison's new range of engines for the civil aerospace industry.

"Allison would have faced quite a struggle to move into that business on its own, but it is a perfect fit for us."

Large development costs for

such engines helped persuade Rolls-Royce to opt for a placing and open offer, even though it ended last year with net cash of £282m.

Sir Ralph said the group was determined to maintain a strong balance sheet and preserve cash to reinvest in its engine and power supply operations.

Under the terms of the 1-for-5.4 offer, more than 227.3m new shares are being issued at 154p, a 6 per cent discount to yesterday's unchanged closing price of 164p.

NM Rothschild, underwriters to the share issue, claimed it was the largest of its kind in recent years.

"The company went for the placing and open offer rather than a rights issue because it involved a smaller number of shares and a slimmer discount," said Mr Nigel Higgins, corporate finance director at Rothschild.

Sir Ralph ruled out large job losses following the takeover, pointing out that Allison had already endured heavy restructuring.

The Allison workforce, which stood at 7,000 in 1991, has been cut to 4,300 since 1993, when General Electric - its former owner - rejected an earlier offer from Rolls-Royce in favour of a \$70m management buy-out.

Justifying last December's offer, Rolls-Royce said Allison had reversed three years of heavy losses after withdrawing from the automotive sector and cutting spending on research and development.

The US group reported pre-tax profits of \$6m last year, compared with combined losses of \$370m since 1990. "This reinforces Rolls-Royce's confidence that the acquisition will enhance earnings per share," Sir Ralph added.

## Danka bids for Southern Business

By James Whittington

Danka Business Systems, the acquisitive office supplier, yesterday joined the bidding for Southern Business Group, the photocopy and vending machines supplier, which last month accepted a cash and share offer from Berkeley Business Group, the business services company.

Danka's offer values Southern at £67.6m on the basis of 70p cash for each of the target's shares. This compares with Berkeley's offer of 104p in cash and seven new Berkeley shares for every two Southern shares. With Berkeley's shares closing at 64p yesterday, up 1p, this values each Southern share at 74p.

Southern's share price closed up 6p at 69p and Danka shares rose 10p at 406p on the back of the announcement.

Although Berkeley's offer is higher in notional terms, Southern's board decided to withdraw its acceptance of Berkeley's bid to recommend the one from Danka. One analyst said the certainty of a straight cash offer would be more attractive to Southern investors than a stake in Berkeley's business.

However, Mr Alan Baldwin, Berkeley's chairman, maintained that his company's offer remained "the highest on the table". He refused to say whether or not the bid would be increased. "The Berkeley offer had been accepted by shareholders representing 74 per cent of Southern's equity, including the group's directors but this was not binding if an improved offer was made."

"A lot depends on our share price," he said. "If it continues to improve then the present situation will obviously change," he said.

Mr Mark Vaughan-Lee, chairman, said Danka's offer would be funded from the group's own resources.

Berkeley, meanwhile, said it would borrow £50m to fund the cash element of the offer and issue 338m new shares - 56 per cent of the proposed enlarged group. The share capital would then be consolidated on a 10-for-1 basis.

## London City airport attracts buyers but early disposal is unlikely

By Andrew Taylor, Construction Correspondent

A For Sale sign hangs over London City airport, where losses are reducing rapidly.

However, a quick disposal is unlikely according to its owners John Mowlem, the construction group, which moved back into the black last year following its financial reorganisation.

Mr John Marshall, chief executive, said: "Potential purchasers remain very interested but I would not expect a quick sale from where I am sitting at this moment."

The airport has a book value of £20m and the company expects to sell at a premium. Pre-tax profits for 1994 were

£4.8m, compared with losses of £124.3m, when the group incurred exceptional charges of £99.3m including a goodwill write-off of £48.8m. Turnover was £1.36bn (£1.34bn).

Losses at the airport fell from £4.8m to £2.9m, after allowing for £3.1m of start up costs and bad debts.

Passenger numbers rose by 96 per cent and are running at more than 500,000 a year, according to Mr Marshall. The company had received a number of approaches from potential purchasers. These had included plans for a partial float to institutions, but had not produced a sale.

During the year the company raised £83.1m from a rights issue and £31m cash from the

sale of its housebuilding interests transforming the balance sheet. It had net cash of £41.2m at the end of the year.

It has substantially reorganised its remaining construction and construction businesses with annual overheads reducing by £30m last year.

The biggest improvement was in the scaffolding division, which turned a £26.4m operating loss into a £13.4m profit. This was in spite of continuing losses in France.

General contracting moved from £14.8m losses to £800,000 profits, after a £3.5m write-down mainly against the east German operations.

Earnings per share of 3.1p compared with losses of 111.5p. A single final dividend of 2p is

recommended, as promised at the time of the rights issue, against nil in 1993.

### COMMENT

Mowlem has achieved all that could have been asked of it when it went cap in hand to shareholders last March. The shares, up 1 1/2p at 83p yesterday, are now trading close to asset value. Further gains can be expected this year from improved efficiencies with Mowlem now tackling its French scaffolding problems. Profits this year could be about £12m putting the share on a prospective p/e of almost 15. Worth hanging on to, if only because the airport is moving closer to making a profit and an eventual sale.

## British Bus pays £30m for Caldaire

By Charles Batchelor, Transport Correspondent

British Bus has acquired Caldaire Holdings, which has bus operations in Leeds and South Yorkshire, for more than £30m.

This acquisition, the seventh in the past 15 months, would make British Bus the second largest UK bus operator, behind Stagecoach, with 5,000 vehicles, 10,000 staff and £350m of turnover, the company said.

Caldaire, based in Wakefield, has 400 vehicles, 1,100 employees and makes profits of about £5m on turnover of £90m. It operates in and around Leeds.

British Bus raised a £65m "war chest" to finance acquisitions last May when Charterhouse and CINVEN took a 40 per cent stake, but the purchase of Caldaire was funded from internal resources.

It has its headquarters in Salisbury, Wiltshire and operations around the country but does not believe that its latest acquisition raises any competition issues. The Monopolies and Mergers Commission and the Office of Fair Trading have taken a close interest in mergers in the bus industry.

British Bus is the largest unlisted bus group and it has no immediate plans to seek a listing.

It was formed in 1982 by a management buy-out of Draxline Transport from the National Express coach group, subsequently changing its name to British Bus.

It has been expanding rapidly by acquisition, buying Luton and District and Kentish Bus among others last year. It has plans to take over other bus businesses.

As part of a planned diversification out of buses the company has registered an interest in bidding for one of more British Rail train operating franchises.

## Thorn rejects 40 Dillons bookshops

By Patrick Harverson

Thorn EMI, the music and rental group, has decided not to keep 40 of the 140 stores in the Dillons bookstore chain which it acquired three weeks ago from the receivers of Pentos.

The group said the rejected stores, which included all 20 shops in the Claude Gill bargain books chain, were returned to KPMG, Pentos's receivers, because of a combination of high rents, poor location and low sales.

The stores were immediately closed, costing more than 300 jobs, but Thorn said it would honour all previous employment contracts. The redundancy payments are expected to total about £400,000.

Sir Colin Southgate, chairman, said that a thorough review of Dillons' outlets had identified a number of high rent stores "that failed to meet the criteria required for the successful future of the chain".

Among the discarded stores were some of Dillons' largest

outlets, including the 14,000 sq ft store in High Street, Kensington. That branch, like all of the 40 rejected stores, had been leased by Pentos on a reverse-premium basis, where the company agreed to pay high rents to the landlord in return for a cash bonus.

Although the cash from the reverse premiums temporarily lifted Pentos's profits, they left many Dillons stores saddled with operating costs that could not be supported by sales. While the rejected stores represented almost 30 per cent of outlets in the Dillons chain, they contributed only 10 per cent to turnover, which totalled £238m in 1993.

The 100 stores Thorn has decided to keep employ 1,976 people, and will be run by the same management as the group's HMV music store chain.

Pentos went into receivership on March 2 owing its banks £72m.

Within a day, KPMG had agreed to sell Dillons to Thorn for £36m.

## GPG in tender offer for part of Stanhope

By Simon London, Property Correspondent

Guinness Peat Group, the vehicle for the UK interests of Sir Ron Brierley, the New Zealand entrepreneur, is making a tender offer of 5p cash for up to 15 per cent of Stanhope, the property developer which is the subject of an agreed 3p share bid from British Land.

British Land has acceptances for 8.6 per cent of Stanhope and its bid was declared unconditional this week. However, GPG acquired 4.4 per cent of Stanhope in the market before the shares were suspended.

Assuming that British Land does not accept GPG's offer, the

offer, made through Butterfield Securities, could give it up to 8.4 per cent of Stanhope. This may be enough to prevent British Land from compulsorily buying out the minority.

GPG specialises in taking minority positions in companies in special situations where it believes the shares are undervalued. It recently acquired a stake in Wembley, the stadium group which was negotiating a refinancing.

If it succeeds in acquiring 15 per cent of Stanhope, GPG's maximum outlay under the offer would be £850,000. It is believed to have spent about £250,000 buying shares in the market.

## Buyers line up for Dewhurst

By Peggy Hollinger in London and John McManus in Dublin

The horse-trading began yesterday as potential candidates lined up to buy Dewhurst, Britain's largest chain of butchers shops which went into receivership with debts of £40m earlier this week.

Receivers Ernst & Young said more than 50 approaches had been received for large chunks of the meat retailing arm of Union International, the holding company which also collapsed on Wednesday.

Dewhurst, which had sales last year of £86m, has 350 small high street shops, and a further 100 closed sites. A single buyer is unlikely, as butchers in the UK are losing substantial business to supermarket chains.

An announced loss of £45m, and a pre-tax loss of £455,000 after a profit of £3.3m in 1993. The swing was mainly

## Rowland and others on economics

"I'm not a capitalist."

- Rowland, June 1 1973

It is the unpleasant and unacceptable face of capitalism."

- Edward Heath, MP, then prime minister, on a *Lonrho* tax avoidance scheme, House of Commons speech, May 15 1973.

"Of course being called the acceptable face of capitalism would be equally insulting."

- Rowland describing himself after *Lonrho* acquired a 20 per cent interest in the House of Fraser, October 9 1977.

"I consider that I am a revolutionary capitalist."

- Rowland quoted in *My Life with Tiny* by Richard Hall, 1987

## Much was said of and by Tiny Rowland. Motoko Rich reports



### Others on Rowland

"They said he was a smart farmer. Plainly Tiny Rowland was more than an ordinary farmer."

- Angus Ogilvy, then an executive in *Drayton*, the financial conglomerate which dominated *Lonrho*, and the man who brought Rowland into *Lonrho* in 1961.

"He is, of course, a pirate, the kind of man who would walk into a revolving door behind you and emerge, the other side, in front."

- Stewart Stevens in *The Daily Mail*, 1973.

"Mr Rowland has a great deal to offer *Lonrho* and its shareholders but his achievements will be all the greater if he will allow his enthusiasm to

operate within the ordinary processes of company management."

- The Department of Trade report into the affairs of *Lonrho*, instigated by Edward Heath, 1976.

"He is utterly intolerant, disloyal, deficient in the art of leadership and integrity of purpose, unwilling to delegate, over-emotional, ill-tempered, and mercenary."

- a former colleague, quoted in *Campaign*, June 24 1977.

"We recognise the achievements of Mr Rowland and we believe that his experience in Africa will be hard to replace, but we do not think that the company's continued prosperity is unduly dependent upon him."

- from the Monopolies Commission

### Rowland on others

"Sort of Christmas tree decorations."

- describing fellow directors, 1976.

"I have done more for Africa than Bob Geldof."

- writing in *Business*, December 1986.

"I very much regret that a boring and unrecognisable account of my life should have been published today entitled 'A Rebel Tycoon'. I know many people, but, thank God, not the author."

- in a statement after the publication of the book, May 31 1993.

"I will now pursue Mr Bock until the end of my days."

- after being sacked from the board, March 2 1983.

"Always remember, yesterday's enemy is very often tomorrow's friend. Look at the USSR."

- after being questioned about the sale of a one third stake in *Metropole Hotels* for £177.5m to Libyan Arab Foreign Investment Company.

"Anybody who wants to kill that company has got to have a machine-gun, mortars, guns, all sorts of ammunition, because I am going to protect it to the bitter end."

- warning those who might try to destroy *Lonrho*, 1976.

"Perhaps you will consider recognising whatever fun and profit you have had from your shareholding in *Lonrho* by voting for me, too."

- in a letter to shareholders, asking them to vote for him as president of the company March 16 1995.

"The last thing I want is for *Lonrho* to be respectable."

- Tiny Rowland.

## Wates net assets increase 5%

By Simon London, Property Correspondent

Wates City of London Properties, which specialises in City offices, announced the first overall rise in the value of its property portfolio for five years.

This allowed the company to increase net assets per share by 5 per cent from 72.4p to 76.1p during 1994.

However, Wates also reported a pre-tax loss of £455,000 after a profit of £3.3m in 1993. The swing was mainly

because of a £3.97m loss (£300,000 profit) from associates, including the holding company for Vintners' Place, the office building facing on to the River Thames, which is jointly owned with Sumitomo Corporation of Japan.

Wates said that it planned to inject up to £15m into the heavily-indebted Vintners' holding company. The refinancing will cut net debt at Vintners' from about £20m to £50m by the end of this year.

While net rental income from Wates' wholly owned

properties fell from £11.8m to £7.3m, partly as a result of disposals, this was more than offset by a reduction in interest charges from £8.8m to £2.3m.

Following last year's £31m rights issue, net debt fell from £56.2m to £22.2m. However, the company's share of debt in joint venture companies - including Vintners' Place - increased from £45.7m to £31.2m.

Losses per share for the year were 0.68p (earnings of 1.75p). As in 1993, the company does not intend to pay a dividend.

## Servisair on target with £4.3m

By Patrick Harverson

Servisair, the aircraft and passenger handling company, yesterday announced a 20 per cent increase in the number of aircraft handled to 248,000. Cargo tonnage handled rose 12 per cent to 217,000 tonnes.

Servisair predicted that cargo volumes and aircraft turnarounds would grow this year, and that overall passenger activity would rise despite a slow start to travel bookings.

Earnings per share were 6.4p (9.2p) and a final dividend of 2.5p is proposed.

£4.3m, pre-tax profits came in at £2.9m. The charges related to the cost of reorganising and integrating Ogdens Aviation, a rival handling company, bought last March for £8.6m.

Turnover rose to £110.8m (£89m), boosted by a £7.66m contribution from Ogdens. The acquisition allowed Servisair to gain a foothold at Birmingham airport, and bolstered its business at Gatwick, Glasgow, Bristol and Cardiff.

The company provided passenger services to 28.5m pas-

sengers during the year, 21 per cent more than in 1993, and there was a similar percentage increase in the number of aircraft handled to 248,000. Cargo tonnage handled rose 12 per cent to 217,000 tonnes.

Servisair predicted that cargo volumes and aircraft turnarounds would grow this year, and that overall passenger activity would rise despite a slow start to travel bookings.

Earnings per share were 6.4p (9.2p) and a final dividend of 2.5p is proposed.

## Argos silent on Signet bid chatter

By Motoko Rich

Argos, the catalogue retailer, yesterday declined to comment on rumours that it was considering the acquisition of the UK businesses of Signet, the former Ratners jewellery group.

When it announced pre-tax profits up 20 per cent in 1994 on Monday, Argos said it had a £149.3m cash pile, which it intended to use on acquisitions. It said it could not comment on specific targets.

Earlier this week, a group of Signet's US preference shareholders took steps to request an extraordinary meeting to urge the board to consider breaking up the group.

Signet is expected to receive an official requisition next week.

Goldsmiths Group has said it would be interested in acquiring the UK operation for about £250m and it is understood there had also been interest shown in the US business.

Shares in Argos rose 6 1/2p to 402p yesterday and shares in Signet fell 1p to 16 1/2p.

## AGA 1994

- AGA's income after financial items increased by 27 per cent to SKr 1,726m (1993: 1,358).
- Net income per share rose by 26 per cent to SKr 5.28 (4.19).
- Proposed dividend increased to SKr 2.25 (2.00) per share.
- Continued improvement in earnings is expected in 1995.

### 1994 Summary

| Amounts in SKr million                  | 1994   | 1993   |
|---|--------|--------|
| Sales                                   | 12,544 | 11,385 |
| Operating income                        | 1,695  | 1,358  |
| Net financial items                     | 212    | 231    |
| Share of income in Gullings Kraft       | 221    | 206    |
| Income from other associate companies   | 24     | 10     |
| Income after financial items            | 1,726  | 1,358  |
| Tax                                     | -447   | -347   |
| Minority interests                      | -10    | -8     |
| Net income                              | 1,269  | 1,003  |
| Income per share, after full tax, SKr   | 5.28   | 4.19   |
| Return on capital employed, %           | 17.3   | 15.1   |
| Liquid funds and investments            | 1,846  | 1,719  |
| Other current assets                    | 5,164  | 5,025  |
| Land, buildings, machinery, etc.        | 2,153  | 1,808  |
| Loans                                   | 4,843  | 5,006  |
| Other current liabilities               | 2,782  | 2,774  |
| Other long-term liabilities             | 3,494  | 3,349  |
| Minority interests                      | 102    | 113    |
| Shareholders' equity                    | 7,771  | 6,914  |
| Total assets                            | 18,994 | 18,356 |
| Equity ratio, %                         | 41.3   | 38.3   |
| Investments in new plants and equipment | 1,739  | 1,346  |
| Average number of employees             | 10,546 | 10,625 |

AGA is one of the world's largest producers of industrial and medical gases and has operations in 33 countries in Europe, the U.S. and Latin America. The associate company Gullings Kraft is one of the largest power producers in Sweden.

## Report on Operations

In June 1994, AGA distributed all the shares in Gullingskraft to the shareholders. The AGA Group now comprises gas operations and a 24% stake in the power company Gullingskraft. All companies with 1993 relate to the AGA Group excluding Gullingskraft. AGA's shareholding in Avesta Sheffield was sold in January 1995, which provided a capital gain of SKr 601m.

Consolidated income after financial items increased by 27% in 1994 to SKr 1,726m including AGA's share of income in Gullingskraft which increased by 7% to SKr 221m (206). Sales rose by 10% to SKr 12,544m (11,385), and operating income increased by 23% to SKr 1,695m (1,358). Gas operations' income after financial items improved by 31 per cent to SKr 1,505m (1,152).

Consolidated net income rose by 27% to SKr 1,269m (1,003), and net income per share after full tax increased to SKr 5.28 (4.19). Return on capital employed before tax increased to 16.9% (15.1), and return on equity after full tax rose to 17.3% (15.1).

Gas operations' sales and earnings were affected favorably by the gradually improved economic climate in most of AGA's major markets. Increased sales volumes combined with the effects of rationalization measures led to improved operating margins for the majority of the Group's companies. The trend in the Nordic countries was particularly positive and this also applied to the European continent after the first half of the year. The favorable growth in the U.S. continued, and in Latin America the subsidiaries in Colombia and Brazil reported sharp increases in earnings.

During the year AGA invested SKr 1,739m (1,346) in new plant and equipment. An additional SKr 53m (35) was invested through acquisitions. Capital expenditure corresponded to 14% (12%) of sales. In 1994 AGA acquired 89% of the shares in the Russian gas company BZK, one of Russia's largest industrial gas companies. AGA also started gas operations in Bolivia.

The Board of Directors recommends a dividend increase from SKr 2.00 to SKr 2.25 per share. The Annual General Meeting will be held on May 9 and it is expected that dividends will be distributed from VPC on May 19.

AGA

AGA Abnaskog  
181 81 Lidings, Sweden

## Unigate warns of job losses



INTERNATIONAL COMPANIES AND FINANCE

# BK Vision rejects UBS peace move

By Ian Rodger in Zurich

BK Vision, an investment company controlled by Mr Martin Ebner's BZ banking group, has rejected an attempt to resolve its bitter dispute with the board of Union Bank of Switzerland.

Mr Nikolaus Senn, UBS chairman, said yesterday the bank's biggest shareholder had refused to accept a settlement proposed by Mr Peter Nobel, a Zurich lawyer, that included a payoff to registered shareholders. According to UBS, Mr Nobel was acting on behalf of a group of shareholders holding 10 per cent of UBS's capital.

Mr Nobel proposed the bank make a rights issue exclusively to registered shareholders on

"favourable" terms and that it reduce gradually the size of its board. BK Vision and Mr Peter Hafner, a Zurich lawyer and BK director, would withdraw their legal challenges against a UBS motion, approved narrowly at a November shareholders' meeting, to convert registered shares into bearer shares.

BK Vision is contesting the motion partly because no compensation was offered to registered shareholders for their extra voting power. It has obtained an injunction preventing UBS from implementing its share unification plan.

Both sides would benefit from an early settlement. The prospect of a three-year legal battle has depressed UBS share prices. There are fears that BK

Vision will contest motions at the UBS shareholders' meeting on April 27, although Mr Kurt Schillknecht, a BK Vision director, said it had no intention of "opening up new fronts".

Mr Senn said the rights issue might involve SF90m (\$77.5m) of capital and be made at a third of the market price.

Last autumn, he rejected compensation for registered shareholders saying it would hurt bearer shareholders. Unequal treatment was now justifiable because the situation created by the contest over the single class share structure now affects the bearer shareholders as well.

Mr Senn said BK Vision rejected the proposal because it

did not contain any "remedial action" for alleged wrongdoings by UBS directors during the proxy battle leading up to the November meeting.

BK Vision claims that the bank bought large volumes of its own shares to influence the outcome. UBS has revealed that it spent SF1.3bn buying its own shares last year.

Mr Senn said the bank's external auditors had examined the transactions and found no irregularities. Mr Schillknecht said the examination was of the price paid.

Mr Senn said BK Vision's demands were "rather vague". "They were looking for people to resign," UBS was willing to accept the proposal "for the time being".

# Rescue bid fails to save Cray Computer

By Louise Kehoe in San Francisco

Cray Computer, the US supercomputer venture, filed for bankruptcy protection yesterday after failing to raise funds to complete the development of a new supercomputer it had planned to launch this year.

Cray Computer, a spin-off from Cray Research, the world's leading supercomputer manufacturer, was founded in 1989 by Mr Seymour Cray, the computer designer.

The company said it had been unable to complete a planned \$20m equity placement with foreign and institutional investors. The money was needed to finance the final testing and market launch of its Cray-4 supercomputer planned for this summer.

Mr Cray said his company had suspended work on its supercomputer systems and laid off its engineering, manufacturing and marketing personnel.

"I am very disappointed," Mr Cray said in a letter to employees. "We have spent six years of our lives developing a technology which seemed like an important contribution to science. To not complete such a long effort is very disheartening."

Cray had been attempting to create a powerful new computer using Gallium Arsenide semiconductor technology. The company claimed the Cray-4 machine would match the performance of any commercially available computer at a fraction of the price. However, Cray has been on the brink of financial collapse for the past year. "We have nearly run out of money so many times before, that it is shocking now that it has really happened," said Mr Cray.

Cray's search for new funding was made more difficult by the collapse of two other US supercomputer ventures. Thinking Machines filed for bankruptcy protection last August.

A month later, Kendall Square, another supercomputer company, shut its doors.

# BAT challenge to Indian chairman deadlocked

By Kunal Bose in Calcutta and Mark Nicholson in New Delhi

The battle between BAT Industries and Mr Krishan Lal Chugh, chairman of ITC, the Indian tobacco-to-financial services group, appeared deadlocked yesterday after a rancorous extraordinary general meeting in Calcutta attended by 2,000 shareholders.

Mr Chugh, to cries of support from shareholders, continued to defy BAT's call to resign, while the UK group said it would continue to block ITC's ambitions to enter India's power business under a chairman in which it had "lost confidence".

A statement would have a debilitating effect on the image of the company and might translate into hesitancy on the part of others to work with ITC on joint projects," ITC said.

At the start of the meeting, watched by crowds on a screen outside the packed meeting room, Mr Chugh called and won on a show of hands a resolution approving in principle a change in ITC's articles permitting its entry into the power sector - the reason the extraordinary meeting was called.

However, an essential resolution allowing the "commence-

ment of new business" was put to a shareholder's poll. It required a 75 per cent majority to pass, but BAT said it had used its stake to block the resolution. The results will be known today.

"ITC's diversification into power would require a large investment," Mr Davis said. "One possible way of raising funds would be to make a rights issue. The key point remains that since BAT has lost confidence in Mr Chugh, we are not ready to put money into a company run by him."

Mr Chugh responded by saying ITC would pursue other legal means to enter the power sector, as part of the chairman's ambition to diversify ITC into a broad-based Indian multinational.

Today's result will indicate whether the state-owned Indian financial institutions, which hold 38 per cent of ITC, support Mr Chugh, as he claims.

The ITC chairman is portraying the boardroom battle with BAT as the defence of an Indian-run company's right to diversify into a global market under threat from a foreign shareholder.

Institutional Indian support for Mr Chugh was hinted at on the eve of yesterday's meeting

when two institutions, UTI, India's state-owned mutual fund, and ICICI, the financial services group, exercised an existing right to appoint two non-executive members to ITC's board, bringing the board total to 17.

ITC said BAT had the right to appoint a third non-executive member to the board.

People close to the argument said it was unlikely Mr Chugh would be ousted in spite of support for BAT among as many as half of the 10 executive directors.

Mr Davis said BAT was not seeking to thwart ITC moves to "grow in other areas" and was willing jointly to develop insurance and asset management interests. "We do not want the day-to-day management of ITC disturbed," he said. "ITC is a great company and BAT has been an investor since its beginning in 1910."

Mr Davis did not reveal details of the "financial irregularities" which he said BAT had discovered and which it said, along with Mr Chugh's breach of boardroom confidence, was a reason they called for his resignation earlier this week. He said an audit committee was investigating the matter and would report within two or three months.

# Union Minière cuts deficit to BFr139m

By Emma Tucker in Brussels

Union Minière, the Belgian mining and metals group, reduced losses last year to BFr139m (\$4.68m), compared with BFr2.45bn in 1993.

Mr Karel Vinck, the chief executive, said the company, one of the main holdings of Société de Belgique, Belgium's largest holding company, did not expect to pay a dividend on the results.

"We want to stabilise the situation before we talk about a dividend payment," he said.

The 1994 results showed turnover rose 16.8 per cent to BFr12.3bn. Operating profits rose to BFr1.9bn from BFr180,000.

Mr Vinck said the outlook for the group remained uncertain given low metal prices on the London metal exchange and the weak dollar. "The problem is what the level of the dollar will be," he said. "If it stays at BFr28, it will be quite difficult, but if it returns to more favourable levels, the increase in the result we have budgeted for, should be realisable."

He said he wanted to build on the group's four-year cost-cutting programme that ended in 1994. Last year, the company cut debt to about BFr1.9bn from BFr19.9bn at the beginning of the year, giving it a debt to equity ratio of 25 per cent.

# State boosts support for GAN

By Andrew Jack in Paris

The French government yesterday unveiled two financial support programmes for loss-making state groups to help overcome the domestic property market's decline.

Groupe des Assurances Nationales (GAN), the insurance group earmarked for privatisation, said the government had agreed to transfer to it FF2bn (\$408m) in shares of Elf Aquitaine, the oil group.

The government pledged a FF1.06bn recapitalisation of Société Marseillaise de Crédit, the state-controlled bank which is to be privatised, on top of FF386m committed for the first half of last year.

The injection of funds to GAN comes in addition to a transfer to the group by the state in January of FF1bn, in

the form of its remaining shares in CIC, the loss-making bank controlled by GAN.

In exchange for the FF3bn recapitalisation, GAN will give an equivalent amount of its own shares to the state during the first half of 1995, in a move designed to ensure that the net cost of the operation to the state will be neutral.

GAN said the injections did not represent a "rescue" but a "reinforcement" of its funds which would help prepare it more rapidly for privatisation over the coming two years.

The insurance group needed new funds after recapitalising CIC, following the discovery of unexpected additional losses in UIC, the bank's property loans subsidiary.

As a result, the 1994 results for GAN will show a loss of FF38m, equivalent to the addi-

tional provisions against property loans made by UIC. The provisions come on top of FF18.9bn in loans hived off its balance sheet last year.

The new injection by the state at Société Marseillaise is designed to keep the bank above the minimum legal solvency ratio. The losses for 1994 were FF1.26bn, driven by provisions against property of FF555m and losses on capital sales and swaps of FF294m.

It follows a FF100m recapitalisation and restructuring earlier this month of its subsidiary GP Banque, with investors from Moroccan, Tunisian and Algerian units diluting the parent company's holding to 60 per cent.

GAN and Société Marseillaise have agreed during this year to improve efficiency to return rapidly to profitability.

# Porsche in the black at halfway

By Andrew Fisher in Frankfurt

Porsche, the German maker of expensive sports cars, moved out of losses in the first half of this financial year as a result of a sharp increase in sales, new models and an intensified marketing effort.

It kept its promise of a break-even result in the first half of the financial year and said it expected to break even

over the year to July, in spite of the difficult currency situation.

It forecast turnover of about DM2.5bn (\$1.8bn) against DM2.3bn in 1993-94, when it made a net loss of DM150m.

The flat first-half result compared with a DM114m loss in the same period of the previous year.

Turnover was 21 per cent higher at DM1.2bn, with an 8 per cent rise to DM457m in the

domestic market and a 31 per cent jump in exports to DM731m. Exports accounted for 61.5 per cent of sales.

The company said sales and market share rose in most of its markets. Deliveries to customers were 23 per cent higher at nearly 8,300 cars. Results benefited from cost-cutting and quality improvement, as well as changes in production and administration processes. Component costs were reduced.

# KPN rises 14.5% to Fl 2.04bn and predicts further increases

By Ronald van de Krol in Amsterdam

Koninklijke PTT Nederland, the Dutch postal and telecommunications group, posted a 14.5 per cent increase in net profit in 1994, thanks to strong rises in international postal deliveries and domestic telephone calls.

Group net profit rose to Fl 2.04bn (\$1.32bn) from Fl 1.78bn a year earlier, on turnover up 6.1 per cent at Fl 18.9bn.

The dividend is to be raised to Fl 2.30 from Fl 1.95.

The company, which is preparing for the flotation of a second tranche of its shares by the Dutch government after

the successful sale of an initial 30 per cent stake in June, predicted a further increase in turnover and profits for 1995.

In 1994, KPN's largest business, telecommunications, was buoyed mainly by growth in the national telephone network and the increasing popularity of mobile communications.

Overall, PTT Telecom saw operating profit rise 7.3 per cent to Fl 2.86bn. This kept pace with a 7.2 per cent increase in turnover to Fl 12.69bn.

Domestic telecommunications turnover rose 8.7 per cent, reflecting an increase in the number of telephone subscribers, a 4.6 per cent

expansion in telephone usage and an increase in charges in April.

International telecoms turnover was up 2 per cent. This remained well below the 9.1 per cent rise in the volume of outgoing international telephone calls because of the continuing trend towards cheaper international rates.

By contrast, at PTT Post, the postal subsidiary, international turnover rose 11.8 per cent, more than double the underlying 5.4 per cent increase in sales for the subsidiary as a whole.

Cost-cutting enabled KPN to lift operating profit in its postal operation by more than 38 per cent.

COMPANY NEWS: UK

# Will one good man be enough?

Geoff Dyer profiles Gerry Murphy, new chief executive at flagging NFC

When Mr Gerry Murphy, chief executive of Greenore, the Irish food group, was appointed as the new chief executive of NFC on Wednesday, the reaction from most of the transport and logistics group's shareholders was "Gerry who?"

At 39 and with no experience of the logistics industry, his selection is something of a gamble. And the fact that he was only approached a few weeks ago - the position has been vacant since August - suggests that he is anything but a first choice.

No-one doubts the difficulty of the job especially for an outsider. The previous incumbent, Mr Peter Sherlock, a former Bass director, survived only 18 months, leaving after an acrimonious clash with other directors, some of whom have been at the company for more than 25 years. Charges of complacency and a paternalistic culture are often levelled at the once state-owned group.

But according to his supporters in Ireland, Mr Murphy's record at Greenore suggests he has many ideal qualities for running the flagging NFC. "One of his greatest attributes at Greenore has been that he has trodden carefully in a tender environment," says one Dublin banker.

He joined the group in November 1991 at a sensitive time, six months after it had been partially privatised.

Observers credit him with having introduced strong internal controls and private sector attitudes to senior managers who had spent their careers in the public sector.

Analysts say that Mr Murphy has been successful at streamlining Greenore's operations in the last two years. Mr Joe Gill, food analyst at Riada stockbrokers in Dublin, says: "Their sugar factories are now among the most efficient in Europe." He arrives at NFC in the middle of another business review - Mr Sherlock conducted one last year - and cost-cutting exercise.

During his time at Greenore, formerly the Irish Sugar Company, the shares have nearly doubled in price to 420p yesterday and a strong financial position has been restored, with gearing of 150 per cent turned into zero net debt.

The one question mark has been over the perceived failure of Mr Murphy's broader strategy. In one of the first interviews he gave after joining Greenore, he outlined ambitious expansion plans through acquisitions.

His subsequent caution - the only acquisition has been HDM, a Belgian malting company for £2.6m - has meant that these remarks have been repeated to him regularly. The profit growth that the group has shown, from £18m in 1990 to £239.5m last year, has been largely organic.

However, NFC shareholders,



Gerry Murphy: his selection is something of a gamble

who have seen the group stumble on recent acquisitions, especially two German companies bought last year, will not be too upset by his determination not to overplay.

Continuously for some of the NFC old-guard, when Mr Murphy arrived at Greenore he set about installing his own high-powered management team, bringing in three outsiders. He talks about the need for creating a strong management team at NFC, but says he has "an open mind" about the present incumbents.

After getting a PhD in food technology from University College, Cork, he joined Express Foods in Ireland, then a subsidiary of Grand Metropolitan, where he worked with Mr Bernie Cahill, now the

Greenore chairman.

He stayed at the food and drinks group for 12 years and was involved in the 1988 acquisition of the Pillsbury subsidiary which he then helped expand in continental Europe.

People who know him say that he is fiercely ambitious and jumped at the chance to move from a company with sales of about £400m to a £2bn-a-year international group. His wife and two children have continued to live in London.

Armed with his other degree, a masters in marketing, Mr Murphy was said to be fond of business jargon when he arrived at Greenore. According to one analyst: "This may have been OK at GrandMet, but did not go down too well with Irish farmers and sugar managers." He soon toned down, and would be advised to do the same at NFC, given the sniping that accompanied Mr Sherlock's preference for business theory.

Mr Murphy has his work cut out. On the day he was appointed, NFC announced a 30 per cent drop in first quarter pre-tax profits. The shares were up 4p to 168p on Wednesday, reflecting relief that an appointment had been made, but have fallen from a peak last year of 292p after a series of disappointing figures.

"He sounds like the right sort of person," says Ian Wild, transport analyst at BZW, "but it will take more than one good man to revive NFC."

# Higher costs knock Hornby to £611,000

By Peter Pearce

Hornby's annual results bore out the profits warning delivered in December by the US-toy group.

Despite strong sales growth in its core Scalextric and Hornby Railways brands - turnover for 1994 rose by 11 per cent to £31.3m - pre-tax profits dropped to £611,000 (£1.5m). This reflected efforts to build overseas market share by an "aggressive pricing strategy", and increased advertising and production costs.

However, the shares, which had fallen 50p to 177p on the December warning, rose 10p to 177p after the market was cheered by Mr Malcolm Thomas, chairman, who stressed that the costs were non-recurring.

The single dividend, held at 9p since 1990, is cut to 5p. Earnings per share drifted to 9.5p (10.9p).

Between 4m and 5m people had entered the store in the

# Hamleys shows sharp lift to £5.7m

By Peter Pearce

Mr Howard Dyer, chairman of Hamleys, said yesterday that the toyshop company had "delivered more than was implied" when it floated last May.

Pre-tax profits in the year to January 30 more than doubled to £5.66m (£2.7m) on turnover up 25 per cent to £26.2m (£20.9m). Mr Dyer said the bedrock of that rise was a 12 per cent increase in sales at the Regent Street store.

The shares climbed 8p to 190p, against a flotation price of 185p.

Mr Dyer said that although the rail strike and the hot summer weather had had an adverse effect on sales, the work done on the store over the past two years was bearing fruit.

Between 4m and 5m people had entered the store in the

# Institutional placing for Rainford

By James Whittington

Rainford, a mechanical and electromechanical components maker, yesterday released its pre-float prospectus.

The group, which designs and makes base stations for mobile telephone companies such as Nokia and Motorola, hopes to raise £20m to £25m via an institutional placing.

About £15m will go to existing shareholders Mr Barry Houghton, chairman, and Granville Private Equity Managers, who hold 75 per cent and 25 per cent respectively. Some £10m will be new money.

The placing, sponsored by SG Warburg Securities, would value the group at £60m to £70m. The money raised would remove gearing and leave £3m cash for product development.

In the nine months to December 31, it made £3.7m pre-tax on turnover of £43.5m.

# Equity Consort to merge

By Roger Taylor

Shares in Equity Consort Investment Trust rose 30p to 638p on the announcement of plans to merge the trust with the £11m Fleming Income & Capital Investment Trust.

If accepted, the merger will bring to an end a lengthy battle between shareholders and the board. But Save & Prosper, the largest shareholder in Equity Consort, would not comment yesterday on whether or not it would support the proposals.

Equity Consort, the £40m investment trust managed by Rothschilds, has been under pressure from shareholders to reorganise its capital structure.

Particularly active has been the Liverpool Ltd Partnership, the New York arbitrageur, which holds 7.16 per cent. Shareholders have argued for a restructuring in order to reduce the discount to net asset value at which the shares are traded. The merger should achieve this as FICIT shares have been trading at close to net asset value.

Equity Consort's first proposals for a reorganisation last July were rejected by shareholders.

FICIT has been looking to expand since it was forced to withdraw a proposed C share issue last February because of unfavourable market conditions.

# Discounting hits Hi-Tec

By Motoko Rich

Heavy discounting in North America and the UK pushed operating profits at Hi-Tec Sports, the sports shoe designer and distributor, down by 65 per cent from £5.45m to £1.91m in the 12 months to January 31.

At the pre-tax level, the company incurred losses of £6.96m (£1.13m profit), reflecting exceptional charges of £5.91m (£1.55m) from the disposal of Cofex, the leisure wear manufacturer.

Mr John Fallon, finance director, said the group cut prices because its Magnum boot went out of fashion in the US and because it was clearing

inventories in the UK.

Sales in North America dropped by 12 per cent to £42.2m while operating profits fell by 63 per cent to £1.73m. UK turnover fell to £38.4m, and operating profits were 35 per cent lower at £1.04m. However, sales in continental Europe rose by 31 per cent to £7.96m (£5.08m) for profits of £228,000 (losses of £182,000).

Mr Fallon said that in the last three months before the company's new year-end of April 30, trading would still be difficult and the company would be likely to make a loss. He said the group had resolved many of its product problems and expected a "better beginning to the new year".

# Beauford recovers to £1.53m

Beauford, the ceramics and engineering group, yesterday confirmed the benefits of its restructuring with a return to annual profits and to the dividend list.

Sir Trevor Holdsworth, chairman, said that all group businesses contributed to profits of £1.53m pre-tax for 1994, struck after an exceptional profit of £382,000 and sharply lower interest charges of £483,000 (£1.07m).

Last year's outcome showed a deficit of £7.43m, taken after exceptional losses from discontinued operations of £1.5m.

Turnover from continuing businesses rose 23 per cent to £33.4m. Earnings per share emerged at 5.9p, against losses of 92.2p; a dividend of 0.25p is proposed - the first distribution since 1991.

Turnover grew from £4.98m

# Garton ahead

A significant recovery in demand, which is continuing, enabled Garton Engineering to lift pre-tax profits from £210,000 to £540,000 in 1994. Turnover rose by 24 per cent to £35m.

Mr Aubrey Garton, chairman, said: "Demand for our products has now reached a level which we expect this increase to continue, albeit at a more modest rate."

Earnings per share climbed to 10p (3.7p) and the recommended final dividend of 4.25p makes a total for the year of 5.5p (4.5p).

Gearing was down from 36 per cent to 32 per cent at the year end.

# Pentex Oil

Pentex Oil, which came to the market in January, had profits after tax of £3.26m for 1994, compared with £4.11m.

Turnover was down 51m at £23m, attributable to lower sterling equivalent oil price offset by increased production, the company said. Production rose from 6,033 barrels of oil equivalent per day to 6,674 boepd.

Earnings per share fell from 21.5p to 17p.

The company ended the year with net borrowings reduced from £45.9m to £37.5m.

# Bilston & Battersea

After two years of losses associated with management restructuring and closures, Bilston & Battersea Enamels reported 1994 pre-tax profits of £217,000, compared with losses of £233,000 after an exceptional charge of £150,000.

Turnover for the USM-quoted manufacturer of enamel boxes



## COMMODITIES AND AGRICULTURE

## WEEK IN THE MARKETS

## Palladium puts on a show

The palladium price surged by more than 6.3 per cent this week as investment fund buyers, in the words of one New York dealer, "got the bit between their teeth".

The London price was "fixed" yesterday morning at \$175.50 a troy ounce, the highest level since April 1989 and within \$5 of a 14-year high. It dropped to \$174.15 at the afternoon fixing, but that was still \$10.40 up on the week.

Coming on top of last week's \$7 rise that performance pushed further into the background any thoughts that Russia, biggest supplier of the precious metal, might cap the rise by digging more deeply into its stockpile, as it was believed to have done when the market spiked to \$160 an ounce last autumn. Russia's concern is that an excessive price level could lead to palladium's substitution by nickel in some applications.

Palladium's biggest market is the electronics industry, which needs it for the construction of the multi-layer ceramic capacitors used in mobile telephones, personal computers, wide-screen televisions etc. - all strong growth sectors. The industry was projected to account for 47 per cent of consumption in 1994 and nearly two thirds of that was attributable to Japan, where the rise in the value of the yen against the US dollar means that the present cost of palladium is far less of a deterrent to buyers.

In recent weeks, however, the palladium market's strong fundamentals have become a background factor as chart-inspired speculators have taken over in the driving seat.

The Reuters news agency reported yesterday that technical analysts saw no signs of a let up in the price surge. "This is a very powerful move and it looks capable of extending it further," said Bill Gifford at

Investment Research of Cambridge. Palladium now had an initial chart target at \$182, stemming from a "flag pattern" based on the early March low of \$150 and the lower part of recent consolidation around \$164.

Brian Marber of Brian Marber and Associates agreed that there were no reversal signals showing on the charts. At the London Metal Exchange meanwhile base metals markets had a more cheerful appearance. Monday saw a continuation of the recent general decline but all markets bounced strongly.

The biggest turnaround was

in the aluminium contract. The three months delivery position, which dipped on Monday to a 1995 low of \$1,753 a tonne, touched \$1,829 yesterday before closing at \$1,874, up \$73.50 on the week. Big net gains were also registered by copper, \$48 to \$2,839.50, nickel, \$535 to \$7,890, and lead, \$33.50 to \$626.

Traders attributed the renewed uptrend to a change of heart by the investment fund managers who had been driving the markets lower. Continuing across-the-board falls in LME warehouse stocks were also helping, they said. The London Commodity Exchange's leading contracts had a less happy time. Robusta coffee futures mid-week jump \$3,170 a tonne for delivery in three proved short-lived and the price ended at \$2,965, down \$33 overall. The rise, which had been encouraged by news that Brazilian exporters supported an export quota plan, was reversed after growers came out against the plan.

LCE cocoa receded further as a wave of technically inspired selling hit the market. It closed yesterday at \$953 a tonne, down \$39 on the week.

Richard Mooney

## WEEKLY PRICE CHANGES

| Commodity              | Unit       | Change  | Year       | 1994       | Low        |
|------------------------|------------|---------|------------|------------|------------|
| Gold per troy oz.      | \$282.00   | -1.00   | \$282.20   | \$282.20   | \$282.20   |
| Silver per troy oz.    | \$290.50   | -0.50   | \$290.50   | \$290.50   | \$290.50   |
| Aluminium 99.7% (cash) | \$1,846.00 | +85.50  | \$1,846.00 | \$1,846.00 | \$1,846.00 |
| Copper Grade A (cash)  | \$2,870.50 | +72.00  | \$2,870.50 | \$2,870.50 | \$2,870.50 |
| Lead (cash)            | \$626.00   | +94.50  | \$626.00   | \$626.00   | \$626.00   |
| Nickel (cash)          | \$7,750.00 | +630.00 | \$7,750.00 | \$7,750.00 | \$7,750.00 |
| Zinc SHG (cash)        | \$1,037.50 | +28.00  | \$1,037.50 | \$1,037.50 | \$1,037.50 |
| Cocoa Futures May      | \$2,850.00 | +275.00 | \$2,850.00 | \$2,850.00 | \$2,850.00 |
| Coffee Futures May     | \$2,897.00 | -84.00  | \$2,897.00 | \$2,897.00 | \$2,897.00 |
| Sugar (LDP) May        | \$363.00   | +11.00  | \$363.00   | \$363.00   | \$363.00   |
| Barley Futures May     | \$100.40   | -0.10   | \$100.40   | \$100.40   | \$100.40   |
| Wheat Futures May      | \$114.50   | -1.45   | \$114.50   | \$114.50   | \$114.50   |
| Cotton Outlook A Index | 110.75     | -1.55   | 110.75     | 110.75     | 110.75     |
| Wool 54's Super        | \$19.00    | -3.00   | \$19.00    | \$19.00    | \$19.00    |
| Oil (Brent Blend)      | \$17.08    | +0.46   | \$17.08    | \$17.08    | \$17.08    |

Per troy ounce unless otherwise stated. p Pence/Ap. c Cents/B. \$ 1 May

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from Amsterdam Metal Trading)

ALUMINIUM 99.7% PURITY (\$ per tonne)

Cash 3 months

Close 1845.5-6.5 1873.5-4.5

Previous 1817.0 1862.0

High/Low 1817.0 1862.0

Open Int. 214,650

Total daily turnover 71,135

ALUMINIUM ALLOY (\$ per tonne)

Close 1805-40 1835-40

Previous 1805-40 1820-40

High/Low 1805-40 1820-40

Open Int. 2,708

Total daily turnover 762

LEAD (\$ per tonne)

Close 612-4 625-7

Previous 607-8 620-1

High/Low 607-8 620-1

Open Int. 37,098

Total daily turnover 5,580

NICKEL (\$ per tonne)

Close 7750-60 7855-65

Previous 7650-60 7805-65

High/Low 7650-60 7805-65

Open Int. 56,516

Total daily turnover 11,980

TIN (\$ per tonne)

Close 5780-80 5830-5

Previous 5715-25 5760-70

High/Low 5715-25 5760-70

Open Int. 56,107,070

Total daily turnover 10,562

COPPER, grade A (\$ per tonne)

Close 2970-10 2995-40

Previous 2950-10 2985-40

High/Low 2950-10 2985-40

Open Int. 230,626

Total daily turnover 53,568

LME ALUMINIUM 5% RATE, 1995

Spot 1.5870 3 mths 1.5850 6 mths 1.5820 9 mths 1.5780

12 mths 1.5740

15 mths 1.5680 18 mths 1.5620 21 mths 1.5560

24 mths 1.5500 36 mths 1.5400 48 mths 1.5300

60 mths 1.5200 96 mths 1.5100 120 mths 1.5000

144 mths 1.4900 180 mths 1.4800 216 mths 1.4700

240 mths 1.4600 360 mths 1.4500 480 mths 1.4400

600 mths 1.4300 960 mths 1.4200 1440 mths 1.4100

1920 mths 1.4000 2880 mths 1.3900 4320 mths 1.3800

6480 mths 1.3700 9720 mths 1.3600 14580 mths 1.3500

21870 mths 1.3400 32805 mths 1.3300 49207 mths 1.3200

63411 mths 1.3100 95116 mths 1.3000 142674 mths 1.2900

213961 mths 1.2800 320941 mths 1.2700 481411 mths 1.2600

722116 mths 1.2500 1083174 mths 1.2400 1624761 mths 1.2300

2130961 mths 1.2200 3195936 mths 1.2100 4793896 mths 1.2000

6781116 mths 1.1900 10171674 mths 1.1800 15257516 mths 1.1700

22881116 mths 1.1600 34253333 mths 1.1500 51380000 mths 1.1400

77061116 mths 1.1300 115616666 mths 1.1200 173425000 mths 1.1100

260161116 mths 1.1000 390400000 mths 1.0900 585600000 mths 1.0800

82881116 mths 1.0500 1242000000 mths 1.0400 1863000000 mths 1.0300

270161116 mths 1.0000 4050000000 mths 1.0000 6075000000 mths 0.9900

810161116 mths 0.9500 11150000000 mths 0.9400 16725000000 mths 0.9300

2430161116 mths 0.9000 36375000000 mths 0.8900 54562500000 mths 0.8800

7290161116 mths 0.8500 90750000000 mths 0.8400 136125000000 mths 0.8300

21870161116 mths 0.8000 225000000000 mths 0.7900 337500000000 mths 0.7800

6341116 mths 0.7500 562500000000 mths 0.7400 843750000000 mths 0.7300

1920161116 mths 0.7000 1250000000000 mths 0.6900 1875000000000 mths 0.6800

2880161116 mths 0.6500 2625000000000 mths 0.6400 3937500000000 mths 0.6300

4320161116 mths 0.6000 5250000000000 mths 0.5900 7875000000000 mths 0.5800

6480161116 mths 0.5500 10500000000000 mths 0.5400 15750000000000 mths 0.5300

9720161116 mths 0.5000 21000000000000 mths 0.4900 31500000000000 mths 0.4800

14580161116 mths 0.4500 42000000000000 mths 0.4400 63000000000000 mths 0.4300

21870161116 mths 0.4000 84000000000000 mths 0.3900 126000000000000 mths 0.3800

32805161116 mths 0.3500 168000000000000 mths 0.3400 252000000000000 mths 0.3300

49207161116 mths 0.3000 336000000000000 mths 0.2900 504000000000000 mths 0.2800

7221161116 mths 0.2500 672000000000000 mths 0.2400 1008000000000000 mths 0.2300

1083174161116 mths 0.2000 1344000000000000 mths 0.1900 2016000000000000 mths 0.1800

1624761161116 mths 0.1500 2688000000000000 mths 0.1400 4032000000000000 mths 0.1300

2430961161116 mths 0.1000 5376000000000000 mths 0.0900 8064000000000000 mths 0.0800

36451161116 mths 0.0500 10752000000000000 mths 0.0400 16128000000000000 mths 0.0300

54681161116 mths 0.0000 21504000000000000 mths 0.0000 32256000000000000 mths 0.0000

82881161116 mths 0.0000 43008000000000000 mths 0.0000 64512000000000000 mths 0.0000

124321161116 mths 0.0000 86016000000000000 mths 0.0000 128024000000000000 mths 0.0000

186481161116 mths 0.0000 172032000000000000 mths 0.0000 256048000000000000 mths 0.0000

280721161116 mths 0.0000 344064000000000000 mths 0.0000 512096000000000000 mths 0.0000

421081161116 mths 0.0000 688128000000000000 mths 0.0000 1024192000000000000 mths 0.0000

631681161116 mths 0.0000 1376256000000000000 mths 0.0000 2064384000000000000 mths 0.0000

947521161116 mths 0.0000 2752512000000000000 mths 0.0000 4128768000000000000 mths 0.0000

1421281161116 mths 0.0000 5505024000000000000 mths 0.0000 8257536000000000000 mths 0.0000

2131921161116 mths 0.0000 11010048000000000000 mths 0.0000 16515072000000000000 mths 0.0000

3197841161116 mths 0.0000 22020096000000000000 mths 0.0000 33030144000000000000 mths 0.0000

4796761161116 mths 0.0000 44040192000000000000 mths 0.0000 66060288000000000000 mths 0.0000

7195121161116 mths 0.0000 88080384000000000000 mths 0.0000 132120576000000000000 mths 0.0000

10792641161116 mths 0.0000 176160768000000000000 mths 0.0000 264241152000000000000 mths 0.0000

16188961161116 mths 0.0000 352321536000000000000 mths 0.0000 528482304000000000000 mths 0.0000

24283361161116 mths 0.0000 704643072000000000000 mths 0.0000 1056964608000000000000 mths 0.0000

36425041161116 mths 0.0000 1409286144000000000000 mths 0.0000 2113929216000000000000 mths 0.0000

54637601161116 mths 0.0000 2818572288000000000000 mths 0.0000 4227858432000000000000 mths 0.0000

81950401161116 mths 0.0000 5637144576000000000000 mths 0.0000 8455716864000000000000 mths 0.0000

12288000161116 mths 0.0000 11274289152000000000000 mths 0.0000 16911433728000000000000 mths 0.0000

18432000161116 mths 0.0000 22548578304000000000000 mths 0.0000 33822867456000000000000 mths 0.0000

27648000161116 mths 0.0000 45097156608000000000000 mths 0.0000 67645734912000000000000 mths 0.0000

41472000161116 mths 0.0000 90194313216000000000000 mths 0.0000 135291469824000000000000 mths 0.0000

62208000161116 mths 0.0000 180388626432000000000000 mths 0.0000 270582939648000000000000 mths 0.0000

93312000161116 mths 0.0000 360777252864000000000000 mths 0.0000 541165879296000000000000 mths 0.0000

13996800161116 mths 0.0000 721554505728000000000000 mths 0.0000 1082321758592000000000000 mths 0.0000

21004800161116 mths 0.0000 1443109011456000000000000 mths 0.0000 2164643517184000000000000 mths 0.0000

31507200161116 mths 0.0000 2886218022912000000000000 mths 0.0000 4329287034368000000000000 mths 0.0000

47260800161116 mths 0.0000 5772436045824000000000000 mths 0.0000 8658574068736000000000000 mths 0.0000

## PRECIOUS METALS continued

## GOLD COMEX (100 Troy oz. \$/troy oz.)

Sett. Day's price change High Low Open Int. Vol.

Mar 322.5 -1.5 324.5 322.5 324.5 324.5 324.5

Apr 322.5 -1.5 324.5 322.5 324.5 324.5 324.5

May 322.5 -1.5 324.5 322.5 324.5 324.5 324.5

Jun 322.5 -1.5 324.5 322.5 324.5 324.5 324.5



## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9FL  
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday March 25 1995

## Loving the weak dollar

At times like these, thoughts of francophone politicians turn towards currency management, like compass needles towards the north pole. Mr Jacques Santer, the president of the European Commission, did what might have been expected of him last week when he called for a "Plaza two", referring to the meeting in New York in September 1985, widely (but wrongly) thought to have initiated the decline of the overvalued US dollar. Inevitably, Mr Edmund Alphandery, the French economics minister, endorsed the idea at the meeting of European finance ministers on Monday.

This idea suffers from a drawback. This is not, as Mr Kenneth Clarke, UK chancellor, seemed to suggest, that it is infeasible. Currencies can be stabilised, regardless of capital market liberalisation, provided those in charge of strong currencies are prepared to purchase weak ones without limit. To state the condition is to appreciate the problem: neither the Bundesbank nor the Bank of Japan would think of doing any such thing. Nor, for that matter, would the Federal Reserve - in an intrinsically weaker position to influence the markets than the other two - subordinate its monetary policy to preservation of the external value of the dollar. "Plaza two" may be a play with enthusiastic would-be authors, but it lacks financial backbone.

A serious commitment to stabilise currencies requires the adoption of compatible monetary policies. Either one country sets the policies for others - as the Bundesbank does for the D-Mark's satellites - or participants agree a common policy. The only possible leader for the three would be the US, an idea Japan and Germany now contemplate with fear and loathing. As for agreeing to a common monetary policy, that would be a miracle, of the same order as in biblical prophecies about lions lying down with lambs.

## Monetary moves

To appreciate the obstacles, suppose the Bundesbank or Bank of Japan were in charge of monetary policy in the US, where unemployment is now 5.4 per cent, below many estimates of the non-inflationary rate; industrial capacity utilisation is at its highest level in 15 years; the trade deficit soared to US\$12.2bn (£7.7bn) in January; core consumer prices are rising at an annualised rate of about 4 per cent; and the effective exchange rate has sunk to all-time lows. Meanwhile, short-term interest rates, while twice as high as at their cyclical trough, are 1 per cent point below yields on 10-year bonds. US monetary policy is no tighter than neutral to moderately restrictive.

What would the Bundesbank or the Bank of Japan do if their economies were to be in such a state? They would tighten hard. And what would their parliaments and public say if they were to do so? They would applaud. But what would the US Congress and public do if Mr Alan Greenspan were to do the same thing? They would howl with rage.

## Decline unchecked

That is why there is going to be no serious co-ordinated effort to stop the dollar's decline. As for the reverse situation, there may be some doubt about whether the Federal Reserve would lower interest rates if it were in Germany, although recent monetary data and the currency's strength suggest it would. There can be no doubt about what the Federal Reserve would do confronted by a Japanese economy with no inflation, a long-running banking crisis, minimal monetary growth and a fragile recovery which is being hammered by an 11 per cent appreciation of the effective exchange rate since the beginning of the year. It would expand, expand and expand again.

If a serious effort at co-ordinated monetary policy is ruled out, might action be taken in each country's perceived individual interest that would also stabilise currencies? The answer is increasingly yes. The need to loosen Japanese monetary policy should be becoming daily more obvious, even to institutions as resolute (or stubborn) as the Bank of Japan and the all-powerful Ministry of Finance. The Bundesbank should find the D-Mark's strength a more than adequate offset to any signs of inflation. As for the Federal Reserve, it may be the least interested in the exchange rate, but it too cannot ignore what is happening to it entirely, as long as it is serious about the long-term aim of low inflation.

The movements among major currencies could prove still more helpful than this. If, for example, the higher yen were to encourage the Japanese to liberalise their economy, promote higher imports and reduce excess savings, this would be a substantial gain. If the experience of higher inflation - or, better still, the fear of it - were to persuade the US Congress to tighten US fiscal policy and reduce the country's dependence on foreign savings, that would be a substantial benefit as well. The declining dollar will, in time, induce the policies needed to limit - and maybe reverse - the fall. More important, the further the decline goes, the more likely become highly desirable changes in fiscal and other policies. It is, in short, time to stop worrying and learn to love the weak dollar.

## Paths through the Emu maze

What does European economic and monetary union hold in store? Peter Norman explains the options

It is a highly charged subject, both politically and emotionally. It prompts divisions throughout European society. And it is threatening to tear a number of centre-right political parties apart, in Britain and elsewhere. Economic and monetary union in Europe is a huge issue by any yardstick.

But it is also a complex problem, and one that is difficult to consider in purely economic terms.

This is because it will involve, at the very least, a pooling of sovereignty. Although the Maastricht treaty's goals fall well short of a European superstate, Emu would

be an important step towards greater European integration.

To complicate matters further, many details of Emu have still to be worked out - including how to implement the common European monetary policy that it will entail.

It is also unclear if and when Emu will take place. There is a growing consensus among European Union policymakers that it will not be possible by 1997, the earliest date envisaged in the Maastricht treaty.

However, Sir Leon Brittan, the UK's senior commissioner in Brussels, has said it is a "safe working assumption" that Emu will happen in 1999.

By then, Germany and several neighbouring EU member states are likely to fulfil the economic convergence conditions for Emu set out in the Maastricht treaty and will be obliged to embark on monetary union. However, the UK and

Denmark - which are likely to be among the countries meeting the convergence criteria - have negotiated "opt outs" from Emu and will be able to choose whether or not to join.

British government ministers, including Mr John Major, the prime minister, and Mr Kenneth Clarke, the chancellor, say that now is not the time for a decision on Emu.

But the issue will not go away.

Indeed, Mr Clarke has said Emu is "producing more heat and less light than any other subject in the British political debate".

Given the present uncertainties, it is not possible to provide a simple checklist of points for and against Emu.

In order to weigh the pros and cons, we look at what Emu would mean in two ways: with and without a single European currency. We also examine the prospects for countries which decide to keep their currencies outside Emu.

The one clear point to emerge is that there are no simple conclusions.

## Off with the Queen's head

## Single currency Emu

A single currency and monetary policy with uniform interest rates throughout the member countries, is usually what springs to mind at the mention of Emu.

It would involve the replacement of familiar national bank notes and coins by others, denominated in Ecu (European currency unit). In Britain's case, this could mean the disappearance of the Queen's head from notes and coins.

This would be a big step for any country, particularly if it came about overnight through a "big bang". It amounts to sharing sovereignty over a nation's economic destiny since, under the Maastricht treaty, the setting of interest rates would be left to an independent European central bank.

## Why do it?

The economic arguments for such a step are rooted in the belief that it would greatly improve the efficiency of the European single market.

A single currency would eliminate different currencies in participating member states, making cross-border trading and investment easier and less risky as exchange rate fluctuations disappeared. The

area covered by Emu would become like a giant domestic market.

Emu supporters say the participating countries could benefit from low inflation and low interest rates over an extended period. But that presupposes that their economies start from the same base of steady, non-inflationary growth and stay that way.

According to Mr Mario Monti, the European commissioner responsible for the single market, Emu is necessary because, without it, "the single market will never be secure".

"Political pressure on national governments towards competitive devaluation or protectionist pressures against devaluing countries cannot be excluded," he says.

There would be savings from the elimination of transaction costs inherent in a multi-currency system. But these are modest: the European Commission has estimated such savings at between 0.3 per cent and 0.4 per cent of EU gross domestic product.

A single currency would also enable people to travel from one end of the currency bloc to the other without the inconvenience and expense of changing currency. Although a popular selling point in favour of Emu, this is the least significant advantage in broad economic terms.

## Where's the catch?

Countries would lose control over their domestic monetary policy. Each central bank governor would have only one voice among several on the governing council of the European central bank. The advice of individual governors on EU interest rates could be overruled.

In theory, such considerations should count for little because the single currency would have been introduced only after members had demonstrated their economic compatibility under the convergence criteria of the Maastricht treaty. Countries joining Emu must have similarly low inflation levels, long-term interest rates, annual budget deficits and overall debt levels in terms of gross domestic product.

But some people feel the criteria are insufficient to ensure an Emu without strains.

Mr Eddie George, the Bank of England's governor, is worried that high levels of unemployment could cause further economic stagnation if countries were no longer able to change their exchange rates.

Mr Hans Tietmeyer, Bundesbank president, has warned that Emu with still diverging economies could boost inflation in some countries and cause job losses in others.

## Strategy for wait-and-see game

## Going it alone

This is really only an option for Britain and Denmark, which have negotiated opt-outs from Emu. However, the German Bundestag, the lower house of parliament, has reserved the right to judge whether other nations meet the Maastricht convergence criteria adequately before going ahead with union.

Keeping sterling out of Emu is the UK Eurosceptics' dream. But retaining control of the pound and UK monetary policy would be no soft option, according to Mr Eddie George, the Bank of England governor. He said last month that the need for monetary discipline would probably be greater for countries that stay out of Emu.

## Why do it?

One reason would be to wait and see whether Emu could yield benefits, or whether it would plunge participating countries into economic crisis.

The UK has a reasonably attractive alternative. The monetary policy put in place by the government and Bank of England since sterling's exit from the ERM in 1992 has so far been successful. Assuming (and all thoughts about Emu hinge on assumptions) that Britain maintains its present steady growth with low inflation, there might appear to be little obvious advantage in taking a leap in the dark.

Britain has been notorious for its boom-bust cycles since the second world war. But in recent years, economic management has not been conspicuously more successful elsewhere in the EU. Unemployment in Britain is below the EU average and well below that of similar-sized European countries such as France, Italy and Spain.

Britain is more active than most of its EU partners in trade with non-EU nations. Recent official figures show that North America is the largest holder of UK direct investment overseas.

There are also few obvious benefits for the City of London from

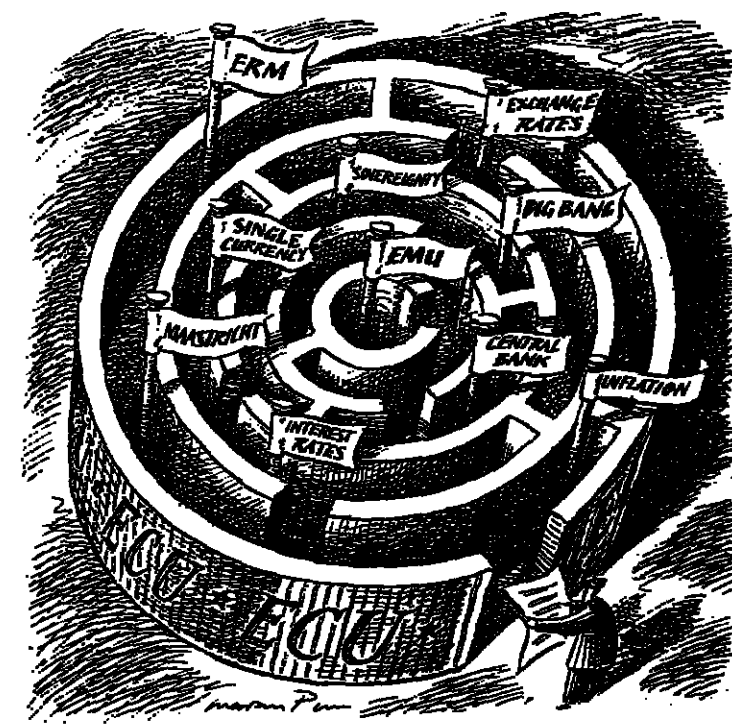
Emu. It might gain as the financial centre for a European currency block. But it could also lose some of its global role to rivals elsewhere.

## And the catch?

Industry and commerce in countries that remained outside Emu would have to deal with continuing currency uncertainty. Staying out of Emu could keep some foreign investments out of such countries.

They would clearly lose out if Emu were to be a rip-roaring success, encouraging trade and investment among its members. As far as Britain is concerned, sterling could become more vulnerable to speculative attack - unless the foreign exchange markets take a much more positive view of the country than at present.

Countries that stayed outside Emu would not be members of the inner circle of nations in a much enlarged EU. Britain might lose some of its influence in international forums such as the United Nations or the Group of Seven leading industrial nations.



## The half-way house

## Emu without the single currency

Emu could mean just the irrevocable locking of exchange rates and a single monetary policy conducted by a European central bank. Such an approach is grudgingly allowed under the Maastricht treaty. But it was generally considered an interim measure leading to a single currency.

## Why do it?

By keeping their own coins and notes in circulation, member countries could overcome some of the psychological, technical and political barriers to Emu, while leaving big business in effect to enjoy the advantages of a single currency.

A phased introduction of Emu was proposed by Mr Alexandre Lamfalussy, president of the European Monetary Institute, the precursor to the European central bank, last year as a way of minimising the complexities on the way to monetary union. These would include new notes and coins and the need to harmonise vending machines and automatic teller machines.

An expert group set up by the European Commission to examine the move to a single currency has since said an overnight introduction of Emu is "most unlikely". Mr Wim Duisenberg, president of the Nether-

lands Central Bank, has said it would be possible for national currencies to continue to be used alongside or instead of a single European currency for a generation.

Such views point to a "firecracker" approach to Emu rather than a "big bang", meaning that the EU might move to monetary union via a series of little bangs. A first step might be the use of a single European currency in wholesale financial markets. With exchange rates locked, big companies would have an incentive to invoice and pay bills in the single European currency. This could quickly make it the main vehicle for large transactions.

## Where's the catch?

It is unclear whether financial markets would really consider that exchange rates were permanently fixed. Locked currencies have become unlocked in the past: the British and Irish pounds were unfixed after more than 50 years in 1978 when Ireland joined the European exchange rate mechanism and Britain stayed out. The crises in the ERM since 1992 have also cast a cloud over this option.

In addition, Mr and Mrs Euro-Citizen would still have to change notes and coins when crossing borders, although with locked currencies, and hence no exchange rate risk for the banks, fees should be much lower.

## MAN IN THE NEWS: Peter Davis

## Still big and bold at the Pru

No one would mistake them for twins, but the similarity in the names of Peter Davis and Mick Newmarch, the former chief executive of Prudential, was one of the topics of conversation at the Pru this week when Davis was named as Newmarch's successor.

Both have a bulky physical presence, but the likeness goes deeper. Each has a high public profile and a no-nonsense manner. Both have been called abrasive, but equally each has colleagues who reject that unflattering description and substitute "waspish" or "pointed".

So in looking outside its own ranks and choosing the 53-year-old Davis to succeed Newmarch, has the group's board chosen a new type of leader or someone in the Newmarch image?

Newmarch abruptly resigned in January, ending a 40-year career with the UK's largest life insurer and institutional investor. He blamed differences with UK financial regulators.

For the time being at least, Davis seems to be taking a less confrontational stand. Some early changes were apparent at the Pru's results presentation on Tuesday.

In contrast to its insistence a year ago that it did not need to make provisions against possible compensation claims for bad personal pensions advice, the Pru acknowledged it had made "prudent" provision for identifying any victims and compensating them if necessary.

Almost as significant is the ending of the Pru's executive share option scheme, to be replaced with a share purchase plan based on a cash bonus.

And after the first two years, Davis will be on a one-year rolling contract, compared with New-

march's three-year rolling term. Some observers see these changes as a response to growing criticism of executive share option schemes and long rolling contracts from institutional investors such as Post-Tel Investment Management. The Pru had been urged to set an example in best practice corporate governance. Post-Tel's chairman Sir Martin Jacob, a Pru non-executive director who becomes Prudential chairman in May, has been influential in the Pru's reforms.

Davis himself stresses the importance of continuity. "I'm not looking for huge overnight changes," he says.

"In terms of the UK, the priority is probably to settle things down. Mick was a strong and charismatic leader and, when someone leaves unexpectedly, it unsettles people."

But Davis is also a strong character who has first-hand experience of sudden departures. Last June he resigned unexpectedly as co-chairman of Anglo-Dutch media group Reed Elsevier. He had joined publisher Reed International as chief executive in 1993. The company then had other operations, including paper and packaging, and Davis refocused it on its core business of publishing. Later he brought about its merger with Elsevier of the Netherlands in early 1993. But after the deal, Davis left in a dispute over the group's future management structure.

"He liked being chief executive, and probably the collegiate style of management was not to his liking," says John Mellon, who runs Reed Business Publishing. But he adds: "He has good people skills - all sorts of people find him very approachable. He's a real networker within the industry and with government."



Describing his own qualifications to become the first outsider to run Prudential, Davis draws on his experience at Reed and his earlier career with food retailer J. Sainsbury, where he worked on the marketing side before becoming deputy chief executive.

"People say: 'What do you bring to the party?' It's a fair question. One, I'm a reasonably experienced chief executive of a group of businesses."

"Two, half of selling insurance is technical," he says, "but the other half is knowing what customers want. Ten years at Sainsbury's gave me some understanding of what people want and experience in making sure the business is focused on the customer."

Few would dispute the technical resources at his disposal. But there are doubts about quite how directly relevant retail marketing is to financial services. Consumers can see what they buy in the supermarket, and can readily compare it with

a rival product. With financial services, it is much harder for customers to know what they are buying, and often the problem for a life company is not a rival insurer but the customers' reluctance to buy.

Two outstanding regulatory issues are likely to reveal more about the Davis style of leadership. The Pru is still at odds with life assurance regulators over the way it sells personal pensions to people transferring lump sums out of occupational schemes. The results of an informal inquiry are expected soon.

The Pru is also the only large retail financial services group to insist on regulation by the Securities and Investments Board, the chief City watchdog, instead of the Personal Investment Authority, intended to bring all such organisations under the same regulator.

Like the rest of the UK life assurance industry, the Pru has also suffered recently from rising costs and subdued consumer demand.

Although he emphasises the importance of continuity at the Pru, Davis is unlikely to be content with maintaining the course already set. Nor would he relish acting as a stop-gap appointment until the company reverts to its traditional approach of finding a chief executive from within its own ranks. It is easy to envisage his wanting the Pru to play an aggressive role in the retail financial services industry as some smaller and weaker life companies seek a way out.

"The changes Newmarch brought into the Pru - such as getting back to core activities and concentrating on getting costs down are widely regarded as fairly sensible, and I would be amazed if they were changed to any degree," says David Nisbet, life insurance analyst at NatWest Markets. "Yet the impression one gets is that Davis does like to take quite a high profile."

As one former colleague puts it, "Peter's a do-er."

Alison Smith

## Are you an expatriate working in the UK?



## The International

The essential magazine for international expatriates living in the UK. Make sure you get your FREE subscription NOW!

FT

FINANCIAL TIMES

Magazines

The International in Britain is a new magazine from Financial Times Magazines, designed specifically for you. The magazine covers all aspects of being an expatriate in the UK. Where to live, where to go out in the evenings, which schools to choose, what healthcare is best, how to deal with the local way of life as well as financial issues that will affect you directly.

## Are you making the most of Britain?

Make The International in Britain your first move in the UK - complete and sign the coupon below for your FREE one year subscription.

Please return to: Kevin Phillips, The International in Britain, FREEPOST, Greyhound Place, Peter Lane, London EC4A 3GB

Yes, please send me the FREE and without obligation, for one year, my monthly copy of The International in Britain, the essential magazine for international expatriates working in the UK.

McKinzie

Job Title \_\_\_\_\_

Nationality \_\_\_\_\_

☐ Company ☐ Private Address \_\_\_\_\_

Postcode \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Sign here if you wish to receive a regular copy of The International in Britain

Signature \_\_\_\_\_ Date \_\_\_\_\_

How long have you been in the UK?

☐ 0-1 years ☐ 1-2 years ☐ 2-3 years ☐ 3-4 years ☐ 5+ years

Job status

☐ Owner/Partner/Director ☐ Manager/Executive ☐ Professional ☐ Consultant ☐ Other

Types of investments currently held

☐ Deposit/High Interest ☐ Private Medical Insurance ☐ Mutual Funds/Unit Trusts ☐ Offshore Funds ☐ Bonds ☐ Private Banking Services ☐ Other

Please send no money. This coupon is for a free one year subscription. The International in Britain is published monthly. The subscription fee is £10.00 per annum. The magazine is sent by air to all subscribers. The International in Britain is published by Financial Times Magazines. The International in Britain is published by Financial Times Magazines. The International in Britain is published by Financial Times Magazines.



# Travails of a family at war

Littlewoods highlights the difficulties of managing a family-owned business, writes Roderick Oram

Inside Littlewoods, the retailing and football pools group, stories abound about the strained financial circumstances of the Moores family, which owns the Liverpool-based company.

To the dismay of estate agents, many of the family have lived for many years in the same modest street in Formby, near Liverpool.

On paper, they are one of the wealthiest families in Britain, yet until recently, most of them had little cash to show for their riches. In the heyday of Sir John Moores, the man who invented the pools and founded the company, the family fortune was carefully husbanded and a modest life style was imposed.

As Sir John's grip slipped in the few years before he died in 1993 at the age of 97, life became richer for the 33 members of the family who owned all the shares. They dealt with their cash shortage by paying themselves much larger dividends. Dividend income ballooned, from less than £2m a year in 1989 to £8m in 1990 and is jogging along nicely at more than £20m a year.

But if the family is to realise the full potential of the group, its members must deal with two other legacies of Sir John's rigid regime: weak senior management and the underperformance of its businesses.

The "disillusion" this week of Mr Barry Dale, chief executive, for undisclosed reasons by unanimous vote of the board is only the latest in a string of recent managerial departures and operational hiccups. Followers of the secretive organisation, particularly in Liverpool's business community, say Littlewoods finds it hard to attract tal-

ented senior management or retain it. This is particularly so at board level. The reasons cited are family members' determination to be involved in the company. But their lack of business experience and their very different views about its development and ownership are dividing management and demoralising staff.

One insider estimates that there are some five factions among the 32 shareholders, who are all descended from Sir John and his brother Cecil.

Sir John's children cleave to his ideal of a privately owned retail pools empire - although to varying degrees. But some of his grandchildren want to realise their wealth. And as the next generation of great-grandchildren comes of spending age, they are likely to demand more income, seek a flotation for the company that would allow them to sell off their shares or press for disposals of parts of the group.

Whatever the family pressures on the Littlewoods board to perform, senior executives say publicly that nothing is wrong with the business. Life was tough in the 1980s and a heavy debt load was incurred under

Peter Moores, the last member of the family to be chief executive who was eventually relieved of his duties by his father, Sir John.

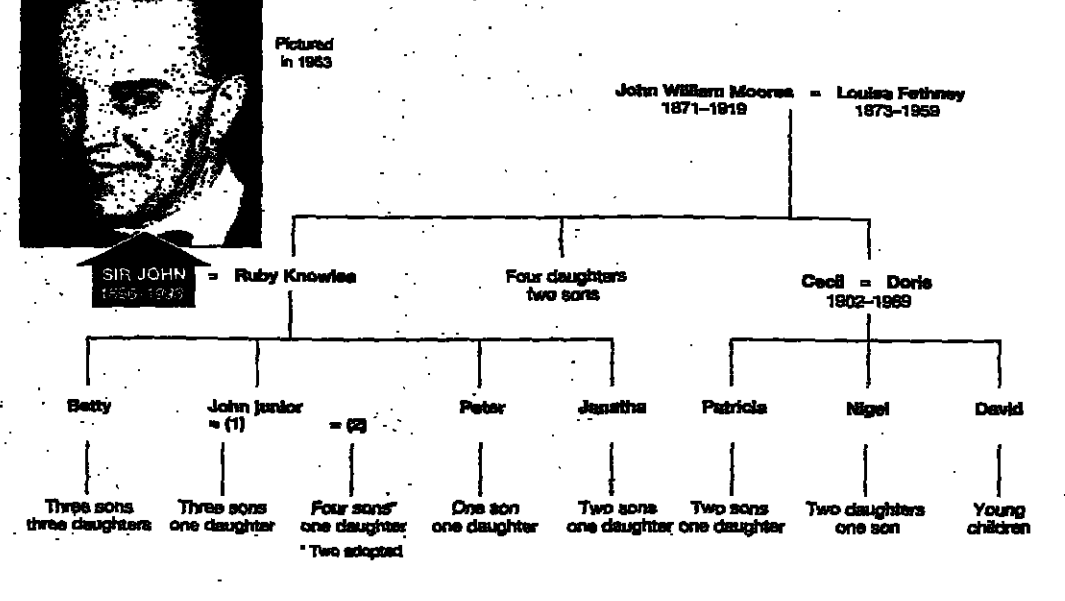
But profits have rebounded under managers brought in from outside the family and the group is now debtless. Pre-tax profits from its stores, catalogue shops and mail order activities rose 88 per cent between 1989 and 1993 to £30.5m on sales of £1.8m. Profits from pools and competitions rose 36 per cent to £28.6m on turnover of £301m. Further progress is expected in next week's report on the 1994 results.

But compared with Marks and Spencer, acknowledged master of retailing, Littlewoods is seriously underperforming. Its retail profits are 5 per cent of turnover, compared with 13 per cent for M&S, and its return on equity is half that of M&S. If Littlewoods performed as well as M&S, and rewarded shareholders in similar fashion, the Moores family could increase their dividends fourfold to some £50m a year.

The stores, run by Mr Bob Willett, former head of the ailing Gateway supermarket chain, suffer from a downmarket product mix and city-centre locations. The mail order



Moore family: the Littlewoods shareholder network



business is thought to be losing market share to competitors which have invested more in information systems and distribution. The index catalogue stores are too small and the chain too undeveloped to take on Argos, the market leader.

"Littlewoods needs to invest very heavily in its store chain and mail order businesses but managers have

always found it difficult to persuade the board to spend enough money," one Liverpool analyst said.

Another weak area, property specialists believe, is the group's extensive property portfolio. Much of it is acquired by the group's own stores, and is not as good an income generator as it should be.

But it is the pools, fount of fabu-

lous cashflow for 70 years, where urgent action is needed. The runaway popularity of the National Lottery, played by 58 per cent of Britain's adult population each week, has exposed the pools as a complicated and old-fashioned way to have a flutter.

Moreover, compared with high technology data systems that are

the backbone of the lottery, Littlewoods' pools operation is labour intensive. Some 70,000 self-employed agents collect coupons from customers' homes. A high proportion of the Littlewoods coupons are still checked by hand for winning scores.

Littlewoods - which has 80 per cent of the national pools market - is thought to have lost about 15 per cent of its turnover since the lottery started last year. Some jobs have already been cut and the government has relaxed some restrictions on pools that will help them compete. It has lowered the playing age to 16 from 18, for example, and is likely to allow television and radio advertising.

The real solution, though, is for Littlewoods to find new products to compete with the lottery - preferably a simple, cost-efficient game that involves a big payout for a small wager. "They need a genius as big as Sir John," says one Liverpool financier.

Innovation needs to become a watchword throughout the stodgy group, analysts say, along with deep cost cutting. Sharper skills should be applied to the businesses, and with an unguaranteed balance sheet, the company could afford to borrow to expand.

The newly vacated chief executive's seat should be one of the most attractive in UK business, given the scale of the operation and the challenge of giving it new direction. But unless the family can leave the managers to run the company, there are likely to be few inspiring applicants.



The governors: (left to right) Lord Kingsdown, who headed the Bank of England 1983-88; Lord O'Brien, 1988-93; and Eddie George, governor since 1993

If Her Majesty the Queen has a few spare minutes this weekend, she may wish to ponder who she would like as new deputy governor of the Bank of England.

In theory the choice is hers. In practice, of course, she will act on the advice of Mr John Major, the prime minister, who in turn will be guided by Mr Kenneth Clarke, the chancellor.

There are also three officials who will play an influential role in choosing the short list. They are Sir Terry Burns, the permanent secretary of the Treasury, Mr Alex Allan, the prime minister's principal private secretary, and, of course, Mr Eddie George, the bank's governor.

Mr George's views are particularly important, since his deputy has to play the role of his alter ego. In the bank, Mr George and his deputy are known as "the governors". And in giving evidence in 1993 to the Commons Treasury committee, Mr George said he regarded his number two as a "co-governor".

Mr George's relationship with his deputy Robert Pennant-Rea - his deputy who resigned on Tuesday following disclosures about his private life - was a complementary one. Mr George, a life-long bank man, focused on what he enjoys most, the battle against inflation, while Mr Pennant-Rea overhauled the management structure.

That they got on well owed something to luck, however, since Mr George had almost no role in selecting him.

This was because Mr Major decided at the beginning of 1993 that Mr George was the man who was to be deputy governor to Lord Robin Leigh-Pemberton, now Lord Kings-

## Robert Peston on the next deputy governor of the Bank of England

### A new partner for Eddie

down - should be promoted. That created the problem of who should replace him. There is a tradition that either the governor or deputy should come from outside the bank. Only once since the bank was nationalised in 1946 have both posts been filled by bank lifers.

That was in the early 1960s, when Lord O'Brien was governor and his deputy was Sir Jasper Holloway. Downing Street felt it had to find Mr George's successor without delay since news of his promotion was beginning to leak. Mr Norman Lamont, then chancellor, floated a highly unorthodox suggestion. Mr Pennant-Rea, editor of the Economist newspaper. This was enthusiastically endorsed by two of Mr Major's most trusted advisers, Sir Terry Burns and Baroness Hogg, formerly Sir Sarah Hogg, who was then head of the prime minister's policy unit.

On the morning of Friday January 22, the offer was put to the unsuspecting journalist. The job offer was all the more surprising for him since the magazine had just published its longest ever apology - over an article of some concern to the Bank of England, since it cast aspersions against National Westminster Bank and its role in the Blue Arrow share issue. Mr Pennant-Rea was asked to

agree immediately. Lengthy vetting was regarded as superfluous, since he was well-known to Mrs Hogg, a former colleague on the Economist.

There was then a frantic attempt to contact all the members of the bank's court - its board of directors - so that the appointment could be formalised post-haste. That evening the announcement was made to newspapers, who were as "boobsmacked" as Mr Pennant-Rea said he was.

There is likely to be rather less smacking of gobs about the appointment of Mr Pennant-Rea's successor, since it will be made in a more leisurely fashion in a few weeks. Once again, the post is likely to go to an outsider - partly because there is no overwhelmingly obvious candidate among the bank's executive directors.

The West End of town - as the bank dismissively refers to Westminster and Whitehall - has a high opinion of Mr Mervyn King, the bank's chief economist. But the government is concerned that he has no management track record.

The other three directors - Mr Brian Quinn, in charge of supervision, Mr Ian Plenderleith, who runs the bank's operations in the foreign exchange and gilts markets, and

Mr Pen Kent, who formulates policy on market development and plays a facilitating role when banks try to rescue troubled companies - all have their admirers, but are not seen as candidates.

But finding an outsider will not be easy. One of the City of London's most lauded merchant bankers, Mr Wyn Bischoff, recently promoted to be chairman of Schroders, is thought unlikely to want to move at the zenith of his commercial career. The rising star of the clearing bank world, Mr Martin Taylor, chief executive of Barclays, has made it known he is not interested.

Baroness Hogg, who has joined the jobs market since her recent departure from Downing Street, has also told government friends she does not wish to be considered. There is, however, one banker, highly rated in Whitehall, who might consider a move: Mr Peter Burt, managing director of Bank of Scotland.

The Treasury might try to bridge the divide between the City and Westminster by appointing one of its own. Mr Rachel Lomax, who recently moved to the World Bank after a high-flying career in the Treasury and Downing Street, would be a strong candidate.

So would Mr Stephen Robson, Treasury deputy secretary, who is responsible for the Treasury's relationships with industry and City institutions, including the bank.

Officials admit, however, that there is not even a long list of candidates at this stage, let alone a short list.

But whoever gets the job, he or she will have a more conventional background than Mr Pennant-Rea. As one official said: "We are under strict instructions to come up with someone pretty boring."

Since the collapse of the Soviet Union three years ago, many supporters of Russian reform have taken it for granted that the country's new capitalists would support political, as well as economic, liberalisation.

The reality is less simple. A vigorous privatisation programme has transferred at least 60 per cent of the economy into private hands, but the emerging class of entrepreneurs has not turned out to be uniformly enthusiastic about democracy - or even about further economic reform.

Instead, some of Russia's leading capitalists are starting to align themselves closely with the government in power in an attempt to protect their interests, especially ahead of the parliamentary and presidential elections due within the next 18 months.

Mr Oleg Boyko, one of the brightest stars in Russia's constellation of young businessmen, is among the most prominent examples. Two years ago, Mr Boyko, the 30-year-old head of the OIIB empire of banks, shops and wholesalers, threw his group's financial and organisational muscle behind Russia's Choice, the leading democratic party; it is headed by Mr Yegor Gaidar, who as prime minister launched Russia's market reforms.

The urban Mr Boyko's move was hailed as proof that Russia's newly enriched capitalists would serve as the engine for further political and economic reforms. But over the past several weeks, Mr Boyko has performed a volte face which gives credence to suggestions that the country could be moving in a very different direction.

The Chechen war, which Mr Gaidar and Russia's Choice have opposed, drove a wedge between the party and Mr Boris Yeltsin, the Russian president, who had previously relied on the backing of the party's parliamentary representatives. Forced to side with either Russia's foremost democratic party or the president, Mr Boyko has emphatically chosen the latter.

He resigned from the executive of Russia's Choice, where he was formally second in command, and last week announced that he was founding Stabilnost (Stability), a newly formed parliamentary group largely defined by its pledge to back Mr Yeltsin unreservedly.

"When the Chechen crisis happened, many of the leaders of Russia's Choice became hysterical," explains Mr Boyko as he sits in his gleaming chrome and leather office. It is located on the 12th floor of the skyscraper which also houses Moscow's McDonald's restaurant and is one of the most powerful symbols of the country's new eco-

## Reform, up to a point

### Russia's capitalists are increasingly scared of democracy, says Chrystia Freeland

economic order. "The problem was with their attitudes to the structures of authority. Of course, the president makes mistakes, the government makes mistakes and the army makes mistakes. But this is our president, our prime minister and our army. I don't think it is wise to undermine them."

Mr Boyko is not alone. He and others in the Moscow business community are so anxious to maintain the status quo and so distrustful of the Russian electorate that they are calling for the postponement of parliamentary elections which are due in December this year and the post-

ponement of the presidential poll set for June next year. Mr Alexander Smolensky, head of the Stolichny bank, told Moscow News this week he agreed with Mr Boyko on postponing elections because he was "terrified" when he imagined their likely result. Like Mr Boyko, Mr Smolensky has also taken pains to establish his fealty to Mr Yeltsin and to distance himself from the one prominent Moscow banker at odds with the presidential team: Mr Vladimir Gusinsky, head of the Most banking group, whose battle with the Kremlin has forced him into informal exile - that he will be arrested on trumped-up criminal charges if he returns to Russia - may help explain why most Moscow bankers have sided so publicly with Russia's rulers. But they are also concerned about political instability.

"I am passionately negative about

elections," says Mr Leonid Skoptsov, the business partner of Mr Kakha Bendukidze, one of Russia's most prominent investors.

"If I see free elections will bring to power people who will totally destroy the country, what am I supposed to say? Let my country be destroyed but at least western democracy will prevail! No. Instead, I say let western democracy die, I value my country more."

Mr Skoptsov says that, ideally, elections should not take place in Russia for a decade. He believes Russia is not ready for democracy and that its choice is between authoritarian regimes of varying severity.

"We do not have a choice between democracy and totalitarianism," he says. "We have a choice between a dictatorship of the police and a dictatorship of the bandits. I prefer the police to the bandits, but you can be sure that the bandits will win in free elections."

According to Dr Sarah Mendelson, programme officer at the Moscow office of the National Democratic Institute, a US foundation advising Russian democrats on party-building, Mr Boyko's realignment "has more to do with business choices than with political choices. You can't be in a party which is critical of the president and the Chechen war and at the same time refuse the rewards of doing business with the president."

Ms Mendelson sees Mr Boyko's choice as "a turning point" with broad implications for the role of Russia's increasingly influential business and financial elite. "Six months ago the business community was clearly aligned with reform, but over the past couple of months that notion has been reconsidered," she says, warning that the new alignment has bred "fears of an emergence of corporate fascism".

Whether or not these fears are justified, the pessimistic predictions of Moscow's capitalists are widely shared. Western observers believe communists and nationalists are likely to be the main victors in the parliamentary elections as voters punish market reformers for the trauma of economic and political transformation.

Russia's nouveau riches, whose western luxury cars crowd the streets of Moscow and whose wives frequent the most expensive French and Italian couturiers, have been on the winning side of the reforms. But many appear to have decided that further democratic reforms can only erode their gains. They may be right, but their changing political orientation is an unfortunate sign for those who had hoped that Russia would not stop at dismantling communism but construct a liberal and democratic regime in its stead.

## Regional foods project highlights importance of small producer

From Ms L. Mason and Ms C. Brown

Sir, As UK contributors to the Council National des Arts Culinaires inventory of regional foods, we were delighted to read Gles MacDonogh's article on Alexander Lazareff, "A penchant for preservation" (March 18/19). The European inventory has, to date, received very little media attention from the British media, and it is good to see it getting some exposure at last.

Mr Lazareff correctly remembered marmalade and clotted cream as entries; there was some discussion over Christmas pudding, but if he cited it on the spur of the moment, it must have been accepted. We managed to find several regional variations on the breakfast sausage, mostly because there are enthusiasts willing to research their recipes and manufacture them carefully. The entries which Mr Lazareff and his colleagues in Paris already have include various mustards, honeys, pre-

serves, pickles, soft drinks, ciders, beers, fruits, vegetables, pies, puddings, shellfish, cheeses, sweets, smoked fish, meat animals and miscellaneous other foods. Oh, there are quite a lot of cakes and muffins too, plus biscuits, breads, and gingerbreads - although we would not describe this section as "endless".

Collecting the data for this project has taken the better part of a year. It has highlighted the importance of the small producer and the dedicated individual in keeping alive food traditions. It has also emphasised the struggle they often have to maintain in the face of the buying power of supermarkets and floods of EU legislation. There are lessons to be learnt from the French approach.

Laura Mason,  
4 St John Street,  
York YO3 7QT, UK  
Catherine Brown,  
4 Belhaven Terrace,  
Glasgow G12 0TF, UK

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to "line"). Translation may be available for letters written in the main international languages.

### Giving voice to 'civil society'

From Mr Stefan Norsten

Sir, Edward Mortimer's column, "At arm's length" (March 22), supporting the role of "civil society", is further welcome recognition of this crucial element in any open, democratic society. The Copenhagen Summit was yet another demonstration of the importance of non-governmental players in bringing governments face to face with their responsibilities. As Peter Ustinov said in Copenhagen: "You can't have progress without creativity and creativity is the contribution of NGOs [non-governmental organisations]."

The key issue must be to develop civil society's opportunities to be heard. However, Mortimer says he wishes at the Commission on Global Governance's proposal for a "forum of civil society" to meet in the hall of the UN General Assem-

bly. He fears their appearance would tend to make them "more bureaucratic and less independent - more governmental". A more thorough reading of the commission's report, *Our Global Neighbourhood*, would reveal those fears to be misplaced.

The commission's report seeks to enlarge the role of civil society in governance not in governments. Taking its cue from the preamble to the UN charter, "We the peoples..." the report begins: "The collective power of people to shape the future is greater now than ever before, and the need to exercise it is more compelling. Mobilising that power to make life in the 21st century more democratic, more secure, and more sustainable is the foremost challenge of this generation."

The annual forum is one of many proposals made by the

commission to ensure civil society's concerns are given centre stage. Their meeting annually in the general assembly hall is not a way to co-opt them, but rather to signal that their views are as important as those of governments and deserving of a hearing. And, most importantly, it gives civil society a clearer voice in setting the international agenda.

None of this involves linking civil society to the aims of political powers or limiting their independence. Nor would it make the lives of governments any easier. Mortimer is right that NGOs belong outside governments - our concern is to ensure that the walls are not so thick that their voices are muffled or go unheard.

Stefan Norsten,  
director,  
Commission on Global Governance,  
Geneva, Switzerland

### Feelgood prudence

From Mr Kenneth Mullard

Sir, The amorphous "feel-good factor" is generated by the receipt of higher wages or salary for the same, or less work. Kenneth Clarke, the chancellor, is correct that this will be felt in about two years' time ("Feelgood factor" will be slow to return, says Clarke" March 16) when a new government is recklessly trying to fulfil its election promises by the long-established techniques of a degenerating democracy - printing money.

A sound financial axiom is that when the "feelgood factor" reaches 20 per cent, and rising, prudent men leave the currency and, if possible, the country.

Kenneth Mullard,  
Apartment 2,  
Aynhoe Park, Aynhoe,  
Banbury OX11 3BQ, UK

## Current account lesson in danger of being ignored

From Prof Giorgio Fodor

Sir, In his brilliant article "Living on borrowed time" (March 20), Philip Coggan reports the sombre views of fund managers on what he calls the "Club Med" countries. It is striking how one of the main lessons of the Mexican crisis is being lost: that the current account matters.

This may not be true for a few countries which are important financial centres, but remains valid for the rest of the world. Even during the period of the classical gold standard, it was widely held that a 10 per cent bank rate would bring to London gold from the moon, but nobody believed issuing banks in Rio or Madrid had the same power.

The fact that big financial centres happen to have good universities has led to a dangerous gospel: if you liberalise and have your fiscal accounts in order, your current account deficits will be financed without trouble by foreign capital.

But in troubled times the current account is important

for a country in surplus it is enough to stabilise expectations and to stop capital flight to achieve a revaluation for its undervalued currency. Instead, a country in deficit needs not only to stop exports of capital but to convince foreign investors to invest again in exactly the same country (which probably has the same government as before) where they have recently badly burnt their fingers. This is a rather different proposition.

An interesting case is Italy, with a very substantial trade and current account surplus. Its net foreign position has improved dramatically and it could soon become a substantial net foreign creditor. This seems to have been missed by those analysts mentioned by Philip Coggan who feel it is unfair for Spain to be lumped together with Italy. Shouldn't it be the other way round? Giorgio Fodor,  
Department of economics and production,  
Milan Polytechnic,  
Piazza Leonardo da Vinci,  
32-20133 Milan, Italy



# CURRENCIES AND MONEY

## MARKETS REPORT

### Dollar respite

The dollar yesterday enjoyed a rally on the foreign exchanges as investors continued to cash in their D-Mark positions, writes Philip Gault.

Price movements were fairly sharp owing to thin pre-weekend trading conditions. Traders are also reluctant to take positions ahead of the important meetings next week of the Federal Open Market Committee and the Bundesbank council.

The dollar finished one penny higher in London, at DM1.4128 from DM1.4015. Against the yen it closed at ¥88.725 from ¥88.15.

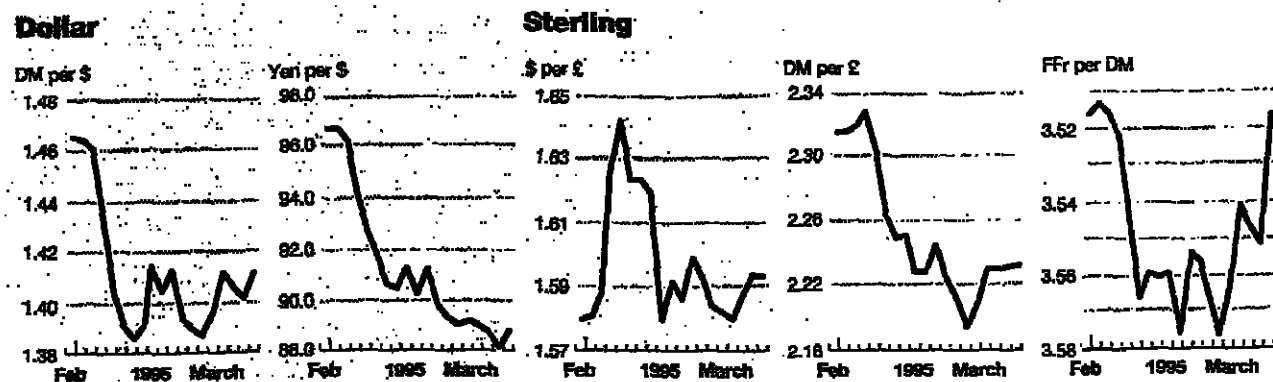
Sterling benefited from the stronger dollar, closing around 1½ pence up at £0.7559, from £0.7543. It was little changed against the dollar at \$1.5832 from \$1.5837.

The D-Mark was weaker across the board, with the franc being the most conspicuous beneficiary. It closed at FF9.518 against the D-Mark, from FF9.551.

The dollar's rally was prompted by the positive response of US asset markets to the weak February durable goods report. This reinforced the market in its view that the Fed is unlikely to raise interest rates when they meet on Tuesday.

Mr Neil MacKinnon, chief economist at Citibank in London, said the upside for the dollar looked limited as lack of movement from the Fed was likely to prompt further dollar selling.

He cautioned, though, that there remained the possibility of a co-ordinated central bank move on interest rates next week. "If the Fed raises rates,



the Bundesbank might be inclined to show a gesture of solidarity by trimming the repo rate. But they rightly see this as a 'made in America problem', said Mr MacKinnon.

Mr Wayne Angell, a former Fed governor, said that it was the Fed's responsibility to keep the value of the dollar high. Echoing the view of the dollar hawk monetary policy, he said that the federal funds rate needed to be 100 basis points higher.

Apart from enjoying a fair wind from the dollar, sterling also appeared to be the beneficiary of Glaxo's financing of its 25bn takeover of Wellcome. Glaxo was reported to be raising some of the finance for its bid in dollars, which then had to be sold for sterling. The pound jumped half a cent against the dollar at one point in morning trade, before retreating later.

Sterling also benefited from a reminder of the strong economic fundamentals. UK fourth quarter GDP rose by 4.2 per cent year on year, while the balance of payments figures were the best in nine years.

The latest IDEA survey of foreign exchange market expectations again confirms how uncertain the outlook for currencies is. The range of views continues to span an enormous range.

Over a two week period, the range of views for \$/D-Mark spans the amazing range of DM1.450 - DM1.50. The expected range for three

## WORLD INTEREST RATES

| MONEY RATES | Over night | One month | Three months | Six months | One year | Long term | Dis. rate | Repo rate |
|-------------|------------|-----------|--------------|------------|----------|-----------|-----------|-----------|
| Belgium     | 4 1/4      | 5 1/4     | 6 1/4        | 7 1/4      | 8 1/4    | 7.40      | 4.50      | -         |
| week ago    | 4 1/4      | 5 1/4     | 6 1/4        | 7 1/4      | 8 1/4    | 7.40      | 4.50      | -         |
| France      | 7 1/2      | 8 1/4     | 9 1/4        | 10 1/4     | 11 1/4   | 5.00      | -         | 8.00      |
| week ago    | 7 1/2      | 8 1/4     | 9 1/4        | 10 1/4     | 11 1/4   | 5.00      | -         | 8.00      |
| Germany     | 4.57       | 4.95      | 5.00         | 5.10       | 5.25     | 6.00      | 4.50      | 4.25      |
| week ago    | 4.57       | 4.95      | 5.00         | 5.10       | 5.25     | 6.00      | 4.50      | 4.25      |
| Ireland     | 5 1/2      | 6 1/4     | 7 1/4        | 8 1/4      | 9 1/4    | 7.00      | -         | 8.25      |
| week ago    | 5 1/2      | 6 1/4     | 7 1/4        | 8 1/4      | 9 1/4    | 7.00      | -         | 8.25      |
| Italy       | 10 1/2     | 10 1/4    | 11 1/4       | 12 1/4     | 13 1/4   | 12 1/2    | -         | 10.40     |
| week ago    | 10 1/2     | 10 1/4    | 11 1/4       | 12 1/4     | 13 1/4   | 12 1/2    | -         | 10.40     |
| Netherlands | 4.97       | 5.02      | 5.10         | 5.27       | 5.45     | 6.50      | -         | 5.25      |
| week ago    | 4.97       | 5.02      | 5.10         | 5.27       | 5.45     | 6.50      | -         | 5.25      |
| Switzerland | 3 1/2      | 3 1/4     | 3 1/2        | 3 1/4      | 3 1/2    | 6.25      | 3.50      | -         |
| week ago    | 3 1/2      | 3 1/4     | 3 1/2        | 3 1/4      | 3 1/2    | 6.25      | 3.50      | -         |
| US          | 5 1/2      | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    | 6 1/4     | -         | 5.25      |
| week ago    | 5 1/2      | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    | 6 1/4     | -         | 5.25      |
| Japan       | 2 1/2      | 2 1/4     | 2 1/4        | 2 1/4      | 2 1/4    | 2 1/4     | -         | 1.75      |
| week ago    | 2 1/2      | 2 1/4     | 2 1/4        | 2 1/4      | 2 1/4    | 2 1/4     | -         | 1.75      |
| UK          | 5 1/2      | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    | 6 1/4     | -         | 5.25      |
| week ago    | 5 1/2      | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    | 6 1/4     | -         | 5.25      |

## EURO CURRENCY INTEREST RATES

| Mar 24          | Short term | 7 days | One month | Three months | Six months | One year |
|-----------------|------------|--------|-----------|--------------|------------|----------|
| Belgium Franc   | 6 1/4      | 6 1/4  | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    |
| Dutch Guilder   | 7 1/4      | 7 1/4  | 7 1/4     | 7 1/4        | 7 1/4      | 7 1/4    |
| French Franc    | 8 1/4      | 8 1/4  | 8 1/4     | 8 1/4        | 8 1/4      | 8 1/4    |
| Portuguese Esc. | 9 1/4      | 9 1/4  | 9 1/4     | 9 1/4        | 9 1/4      | 9 1/4    |
| Spanish Peseta  | 10 1/4     | 10 1/4 | 10 1/4    | 10 1/4       | 10 1/4     | 10 1/4   |
| Sterling        | 11 1/4     | 11 1/4 | 11 1/4    | 11 1/4       | 11 1/4     | 11 1/4   |
| Swiss Franc     | 12 1/4     | 12 1/4 | 12 1/4    | 12 1/4       | 12 1/4     | 12 1/4   |
| US Dollar       | 13 1/4     | 13 1/4 | 13 1/4    | 13 1/4       | 13 1/4     | 13 1/4   |
| Italian Lira    | 14 1/4     | 14 1/4 | 14 1/4    | 14 1/4       | 14 1/4     | 14 1/4   |
| Yen             | 15 1/4     | 15 1/4 | 15 1/4    | 15 1/4       | 15 1/4     | 15 1/4   |

## POUND SPOT FORWARD AGAINST THE POUND

| Mar 24      | Closing | Change  | On day | One month | Three months | One year | Bank of |
|-------------|---------|---------|--------|-----------|--------------|----------|---------|
| Europe      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Australia   | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Canada      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Denmark     | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| France      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Germany     | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Greece      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Italy       | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Japan       | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Netherlands | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Portugal    | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Spain       | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Sweden      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| Switzerland | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| UK          | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |
| USA         | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307 |

## DOLLAR SPOT FORWARD AGAINST THE DOLLAR

| Mar 24      | Closing | Change  | On day | One month | Three months | One year | JP Morgan |
|-------------|---------|---------|--------|-----------|--------------|----------|-----------|
| Europe      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Australia   | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Canada      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Denmark     | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| France      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Germany     | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Greece      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Italy       | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Japan       | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Netherlands | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Portugal    | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Spain       | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Sweden      | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| Switzerland | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| UK          | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |
| USA         | 15.8431 | -0.0029 | 338    | 525       | 15.8589      | 15.7053  | 15.8307   |

## CROSS RATES AND DERIVATIVES

| EXCHANGE CROSS RATES  |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
|---|--------|----------|---------|--------|--------|-----------|-----------|--------|--------|----------|---------|---------|-------|-----|-----|-----|-----|
| Mar 24  | SPY    | DAX      | FTSE    | DM     | £      | ¥         | US        | JPY    | HKD    | SGD      | THB     | MYR     | PHP   | INR | PKR | BDT | INR |
| Belgium   | (BFX)  | 10.1928  | 17.06   | 4.848  | 2.152  | 9005      | 5.435     | 21.59  | 510.1  | 445.3    | 25.12   | 4.04    |       |     |     |     |     |
| Denmark   | (DKX)  | 51.91    | 10      | 8.856  | 2.517  | 1.117     | 3005      | 2.822  | 121    | 294.8    | 282.1   | 13.04   | 2.086 |     |     |     |     |
| France  | (FXX)  | 56.62    | 11.28   | 10     | 2.643  | 1.282     | 3461      | 3.196  | 12.85  | 296.9    | 291.8   | 14.72   | 2.059 |     |     |     |     |
| Germany   | (DM)   | 20.62    | 3.972   | 3.518  | 1      | 1.444     | 1216      | 1.121  | 4.451  | 1052.9   | 91.69   | 1.190   | 0.028 |     |     |     |     |
| Ireland   | (IRX)  | 8.891    | 8.78    | 2.263  | 0.3    | 0.258     | 273       | 2.526  | 10.03  | 257.1    | 11.19   | 1.17    | 1.267 |     |     |     |     |
| Italy   | (I)    | 1.694    | 0.328   | 0.289  | 0.082  | 0.036     | 10        | 0.052  | 0.386  | 8.839    | 7.541   | 0.425   | 0.059 |     |     |     |     |
| Netherlands   | (F)    | 18.40    | 3.544   | 3.139  | 0.882  | 0.396     | 1069      | 1      | 3.871  | 93.86    | 81.93   | 4.621   | 0.739 |     |     |     |     |
| Portugal  | (PXX)  | 8.924    | 8.924   | 7.924  | 2.267  | 0.736     | 2518      | 2.518  | 10     | 286.8    | 115.6   | 1.14    | 1.261 |     |     |     |     |
| Spain   | (SXX)  | 19.80    | 3.775   | 3.341  | 0.951  | 0.422     | 1158      | 1.085  | 4.261  | 100      | 87.29   | 4.924   | 0.758 |     |     |     |     |
| Sweden  | (SXX)  | 22.45    | 4.328   | 3.831  | 0.989  | 0.483     | 1226      | 1.221  | 4.848  | 114.6    | 100     | 5.541   | 0.902 |     |     |     |     |
| Switzerland   | (SXX)  | 36.81    | 7.959   | 0.732  | 1.931  | 0.857     | 2351      | 2.124  | 5.693  | 293.1    | 107.3   | 10      | 1.588 |     |     |     |     |
| UK  | (SXX)  | 24.88    | 4.785   | 4.248  | 1.207  | 0.538     | 1470      | 1.353  | 5.573  | 127.0    | 110.9   | 6.569   |       |     |     |     |     |
| USA   | (C)    | 46.42    | 8.942   | 7.916  | 2.251  | 0.989     | 2741      | 2.523  | 10.02  | 238.6    | 206.7   | 11.86   | 1.685 |     |     |     |     |
| Canada  | (CXX)  | 20.11    | 4.001   | 3.543  | 1.007  | 0.447     | 1229      | 1.129  | 4.590  | 140.7    | 92.48   | 5.217   | 0.834 |     |     |     |     |
| Japan   | (JXX)  | 29.74    | 5.615   | 4.971  | 1.413  | 0.827     | 1721      | 1.524  | 6.290  | 148.0    | 128.9   | 7.320   | 1.171 |     |     |     |     |
| South Korea   | (KXX)  | 21.35    | 6.329   | 5.712  | 1.707  | 0.740     | 1701      | 1.501  | 187.8  | 150.8    | 120.8   | 7.300   |       |     |     |     |     |
| India   | (IXX)  | 37.71    | 7.294   | 6.433  | 1.829  | 0.912     | 2227      | 2.090  | 154.0  | 152.4    | 187.9   | 5.472   | 1.515 |     |     |     |     |
| Denmark, Korea, French, Norway, Sweden, and Swedish Krona to 100, Belgian Franc, Yen, Escudo, Lira and Peseta to 100. |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
|   |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
| ■ D-MARK FUTURES (MM) DM 125,000 per \$F  |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
|   | Open   | Latest   | Change  | High   | Low    | Est. vol. | Open Int. |        |        |          |         |         |       |     |     |     |     |
| Jun   | 0.7141 | 0.7131   | -0.0015 | 0.7148 | 0.7107 | 24        | 148,159   | 59,577 | Jun    | 1.1448   | 1.1418  | -0.0037 |       |     |     |     |     |
| Jul   | 0.7136 | 0.7182   | -0.0026 | 0.7188 | 0.7135 | 42        | 1,943     |        | Jul    | 1.1502   | 1.1548  | -0.0046 |       |     |     |     |     |
| Sep   |        | - 0.7170 |         |        |        | 28        | 889       |        | Sep    | 1.1721   | 1.1674  | -0.0044 |       |     |     |     |     |
|   |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
| ■ JAPANESE YEN FUTURES (MM) Yen   |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
|   | Open   | Latest   | Change  | High   | Low    | Est. vol. | Open Int. |        |        |          |         |         |       |     |     |     |     |
| Jun   | 0.9847 | 0.9836   | -0.0014 | 0.9846 | 0.9811 | 14,830    | 26,292    | Jun    | 1.5926 | 1.5894   | -0.0032 |         |       |     |     |     |     |
| Sep   | 0.9898 | 0.9893   | -0.0015 | 0.9895 | 0.9870 | 52        | 2,296     | Sep    |        | - 1.5940 |         |         |       |     |     |     |     |
| Oct   | 0.9907 |          |         |        |        |           |           | Oct    |        |          |         |         |       |     |     |     |     |
|   |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
| ■ SWISS FRANC FUTURES (MM) SF 125,000 per \$F   |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
|   | Open   | Latest   | Change  | High   | Low    | Est. vol. | Open Int. |        |        |          |         |         |       |     |     |     |     |
| Jun   | 0.9847 | 0.9836   | -0.0014 | 0.9846 | 0.9811 | 14,830    | 26,292    | Jun    | 1.5926 | 1.5894   | -0.0032 |         |       |     |     |     |     |
| Sep   | 0.9898 | 0.9893   | -0.0015 | 0.9895 | 0.9870 | 52        | 2,296     | Sep    |        | - 1.5940 |         |         |       |     |     |     |     |
| Oct   | 0.9907 |          |         |        |        |           |           | Oct    |        |          |         |         |       |     |     |     |     |
|   |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
| ■ STERLING POUND FUTURES (MM) £25,000   |        |          |         |        |        |           |           |        |        |          |         |         |       |     |     |     |     |
|   | Open   | Latest   | Change  | High   | Low    | Est. vol. | Open Int. |        |        |          |         |         |       |     |     |     |     |
| Jun   | 0.9847 | 0.9836   | -0.0014 | 0.9846 | 0.9811 | 14,830    | 26,292    | Jun    | 1.5926 | 1.5894   | -0.0032 |         |       |     |     |     |     |
| Sep   | 0.9898 | 0.9893   | -0.0015 | 0.9895 | 0.9870 | 52        | 2,296     | Sep    |        | - 1.5940 |         |         |       |     |     |     |     |
| Oct   | 0.9907 |          |         |        |        |           |           | Oct    |        |          |         |         |       |     |     |     |     |

## EMS EUROPEAN CURRENCY UNIT RATES

| Mar 24      | Eu. unit | Rate    | Change  | % of    | % spread | Dr.     |
|-------------|----------|---------|---------|---------|----------|---------|
| Belgium     | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Denmark     | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| France      | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Germany     | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Italy       | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Japan       | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Netherlands | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Portugal    | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Spain       | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Sweden      | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| Switzerland | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| UK          | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |
| USA         | 15.8431  | 15.8431 | 15.8431 | 15.8431 | 15.8431  | 15.8431 |

## UK INTEREST RATES

| LONDON MONEY RATES   | Mar 24 | Over night | 7 days | One month | Three months | Six months | One year |
|----------------------|--------|------------|--------|-----------|--------------|------------|----------|
| Interbank Sterling   | 7 1/2  | 6 1/4      | 6 1/4  | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    |
| Bank Bill            | 7 1/2  | 6 1/4      | 6 1/4  | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    |
| Local authority dep. | 7 1/2  | 6 1/4      | 6 1/4  | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    |
| Discount Market dep. | 7 1/2  | 6 1/4      | 6 1/4  | 6 1/4     | 6 1/4        | 6 1/4      | 6 1/4    |

## THREE MONTH STERLING FUTURES (LIFE) £500,000 points of 100%

| High  | Low   | Est. vol | Open Int. | BASE LENDING RATES                    |  |      |   |
|-------|-------|----------|-----------|---------------------------------------|--|------|---|
| 92.70 | 92.63 | 27059    | 90812     |                                       |  |      | % |
| 92.63 | 92.25 | 12656    | 62871     | Aldred & Company                      | .....  | 7.75 |   |
| 92.53 | 91.94 | 7712     | 55856     | Adrian Trust Bank                     | .....  | 7.75 |   |
| 91.73 | 91.67 | 2519     | 39530     | AHS Bank                              | .....  | 7.75 |   |
|       |       |          |           | Amory Associates                      | .....  | 7.75 |   |
|       |       |          |           | Bank of America                       | .....  | 7.75 |   |
|       |       |          |           | Barco Secu Voyages                    | .....  | 7.75 |   |
|       |       |          |           | Bank of Cyprus                        | .....  | 7.75 |   |
|       |       |          |           | Bank of Ireland                       | .....  | 7.75 |   |
|       |       |          |           | Bank of Scotland                      | .....  | 7.75 |   |
|       |       |          |           | Barclays Bank                         | .....  | 7.75 |   |
|       |       |          |           | Bank Ltd Ind Est                      | .....  | 7.75 |   |
|       |       |          |           | Edwin Shipley & Co Ltd                | .....  | 7.75 |   |
|       |       |          |           | Clabank N.A.                          | .....  | 7.75 |   |
|       |       |          |           | Clydebank Bank                        | .....  | 7.75 |   |
|       |       |          |           | The Co-operative Bank                 | .....  | 7.75 |   |
|       |       |          |           | Credit & Co.                          | .....  | 7.75 |   |
|       |       |          |           | Credit Lyonnais                       | .....  | 7.75 |   |
|       |       |          |           | Cyprus Popular Bank                   | .....  | 7.75 |   |
|       |       |          |           | Duncan Leitch                         | .....  | 7.75 |   |
|       |       |          |           | Deutscher Bank Limited                | .....  | 7.75 |   |
|       |       |          |           | Franklin & Co.                        | .....  | 7.00 |   |
|       |       |          |           | Graham Fleming & Co.                  | .....  | 7.75 |   |
|       |       |          |           | Gibson                                | .....  | 7.75 |   |
|       |       |          |           | Guinness Mellon                       | .....  | 7.75 |   |
|       |       |          |           | Habs Bank AG Zurich                   | .....  | 7.75 |   |
|       |       |          |           | Hambro Bank                           | .....  | 7.75 |   |
|       |       |          |           | Helander & Co                         | .....  | 7.75 |   |
|       |       |          |           | Hill Samuel                           | .....  | 7.75 |   |
|       |       |          |           | C. Hoare & Co.                        | .....  | 7.75 |   |
|       |       |          |           | Hongkong & Shanghai                   | .....  | 7.75 |   |
|       |       |          |           | Industriale Bank                      | .....  | 7.75 |   |
|       |       |          |           | Leucopold Joseph & Sons               | .....  | 7.75 |   |
|       |       |          |           | Lloyds Bank                           | .....  | 7.75 |   |
|       |       |          |           | Magnus Bank Ltd                       | .....  | 7.75 |   |
|       |       |          |           | Midland Bank                          | .....  | 7.75 |   |
|       |       |          |           | Mount Bank                            | .....  | 7.75 |   |
|       |       |          |           | NatWestminster                        | .....  | 7.75 |   |
|       |       |          |           | Pease Brothers                        | .....  | 7.75 |   |
|       |       |          |           | Paragon Guarantee Corporation Limited | is no longer authorized as a banking institution | 10   |   |
|       |       |          |           | Royal City of Scotland                | .....  | 7.75 |   |
|       |       |          |           | Shanghai & Pootung                    | .....  | 7.75 |   |
|       |       |          |           | Smith & Wilmson Secs                  | .....  | 6.75 |   |
|       |       |          |           | TSB                                   | .....  | 7.75 |   |
|       |       |          |           | Union Bank                            | .....  | 7.75 |   |
|       |       |          |           | Unity Trust Bank Plc                  | .....  | 7.75 |   |
|       |       |          |           | Western Trust                         | .....  | 7.75 |   |
|       |       |          |           | Windsor Laidlaw                       | .....  | 7.75 |   |
|       |       |          |           | Yokohama Bank                         | .....  | 7.75 |   |

10,000 points of 100%

PUTS

|   | Jun  | Sep  | Dec  |
|---|------|------|------|
| 0 | 0.16 | 0.50 | 0.81 |
| 1 | 0.25 | 0.85 | 1.17 |
| 4 | 0.40 | 0.83 | 0.95 |

% open int. Calls 174500 Puts 128917

- Members of London Investment Banking Association
- In general, the above rates are for deposits in sterling



## AUTHORISED UNIT TRUSTS



**The club  
that gets  
results  
for  
private  
investors.**

**FT Annual Reports Service.**



**FT MANAGED FUNDS SERVICE**

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

[illegible]

## OTHER UK UNIT TRUSTS

| Selling | Buying | + or - | Yield | For Adams Life and United Friendly Group |
|---------|--------|--------|-------|--|
|---------|--------|--------|-------|--|

**One international  
financial institution  
fits comfortably  
in your briefcase.**

Since 1929, The Banker has been acknowledged for its authoritative commentary on international banking. Every month, it provides essential market information on global banking, from capital markets to corporate finance, M&A to equity transactions, swaps to derivatives. *Banking professionals would be well advised to consider its contents before acting. You'll find regular features such as experts' surveys to provide you with the inside track on political and economic affairs - worldwide. And our reviews on banking IT keep you abreast of the latest strategies and the technological warfare behind them. There are our famous listings, widely recognized as the industry's definitive benchmark. Finally, The Banker is published by Financial Times Magazine, so you can be assured that our information sources are utterly reliable.*

To see for yourself, just fill in the coupon below. We look forward to helping you make the decisions that shape the financial world.

# THE BANKER

☐ **Yes**, send me 2 free issues of *The Basics* without obligation. I understand that during a 60 trial period you will send me a single typical issue offering me 1 year's supply of *The Basics*. If I decide not to subscribe, I simply will "return" on the return, return it to the address below and I will not be sending. Offer applies to new subscribers only.

☐ *U.S.* ☐ *UK* ☐ *Europe* ☐ *Rest of World* ☐ *USA*

Mr/Ms/Mr \_\_\_\_\_ Jan/Tue \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Address \_\_\_\_\_

Postcode \_\_\_\_\_  
Tel \_\_\_\_\_ Fax \_\_\_\_\_  
Nature of business \_\_\_\_\_

Alternatively, return this form to: **THE BANKER, PO BOX 461 BROMLEY, BR2 9WP, UK**  
The advertisement is payable and will be held for you and sent to your address only if you complete the payment details.

Patent Informational: Registered Number 773721 Registered Date: May 1999 Informational: see [www.ipo.gov](http://www.ipo.gov)

## INSURANCES

|                 |                    |       |       |       |
|-----------------|--------------------|-------|-------|-------|
| <b>AIG Life</b> | Japan              | 170.5 | 170.8 | -0.3  |
|                 | Wish Profile 9%    | 110.1 | 125.4 | -15.3 |
|                 | European           | 309.5 | 295.0 | +14.5 |
|                 | For East           | 98.7  | 102.9 | -4.2  |
|                 | Marine & Insurance | 120.7 | 108.6 | +12.1 |



**FT MANAGED FUNDS SERVICE**

# For the Investment Purist. The Purest.



The launch of Investment Adviser has brought a new authority to the investment industry. The calibre of journalism in this specialist weekly refines the investment news in an incisive and intelligent style, drawing on all the expertise and international resources of the Financial Times. From fund features to market analysis, we believe we're the essential ingredient you need when you're talking investment. All of which suggests reading Investment Adviser every week makes pure, common sense.



Fax your details to our distribution department on 0171 242 2439.



## WORLD STOCK MARKETS

## NORTH AMERICA

UNITED STATES (Mar 24/US\$)

(Pm)

## EUROPE

UNITED STATES (Mar 24/US\$)

(Pm)

## EUROPE

UNITED STATES (Mar 24/US\$)

(Pm)

## EUROPE

UNITED STATES (Mar 24/US\$)

(Pm)



## WORLD STOCK MARKETS

## AMERICA

## Data take US indices to peaks

## Wall Street

US share prices surged to new records early yesterday as data on durable goods orders suggested to investors that the economy was slowing and sent the bond market sharply higher, writes Lisa Branstetter in New York.

By 1 pm the broadly traded Standard & Poor's 500 was through the 500-point level, rising 4.80 at 500.75. The Dow Jones Industrial Average was 4,317.75, and the American Stock Exchange composite gained 1.75 at 460.78. The Nasdaq composite rose 6.04 to 317.43. NYSE volume was heavy at 180m shares.

Treasury prices jumped early in the morning after the commerce department reported that durable goods orders fell 0.8 per cent in February. Around 1 pm the long bond

was up by a full point, touching a new low yield for the past 52 weeks of 7.356 per cent. Rising bond prices helped to support the battered dollar, which had touched new lows against the Japanese yen in intraday trading on Thursday, but was stronger against the yen and the D-Mark yesterday.

But while the first decline in durable goods orders since October cheered the financial markets, several economists warned that the figures were not as indicative of a slowing as they seemed because of large upward revisions to the January figure.

Cyclical stocks benefited from the idea that the Federal Reserve was less likely to raise interest rates at Tuesday's meeting of its Open Market Committee. Morgan Stanley's index of cyclical shares rose 1.1 per cent, while the counterpart index of consumer stocks was

up just 0.6 per cent.

Among the biggest gainers in the cyclical index was Phelps Dodge, the largest US copper producer, which jumped 5 per cent, or 33¢ at \$67.75, amid rising copper prices. Other companies in the index also posted large gains yesterday, including Aluminum Company of America which was up 3.1¢ at \$41.75, International Paper 3¢ at \$73.75, and Georgia Pacific 1.1¢ higher at \$76.75.

Technology shares also surged yesterday, led by Adobe Systems, which added more than 20 per cent to its value as its shares jumped 9.94 at \$47.75. Late on Thursday the software company announced first quarter earnings of 54 cents a share, well over the 31 cents it earned in the same period of last year and analysts estimates of 38 cents a share.

Other rising technology shares were Cyrix, the chip

manufacturer, up 51¢ at \$23.75. Microsoft up 1¢ at \$74. Intel 1¢ at \$88.75 and Dell Computer 31¢ at \$44.75.

Cornerstone Financial was up 1¢ at \$94 after BayBank, the Massachusetts bank, said it would buy the company for \$100m or \$8.80 a share. BayBank was also up, rising 5¢ to \$63.80 on the news.

## Canada

Weakness in heavily weighted golds restrained gains in most of Toronto's other sectors, the TSX 300 composite index rising 9.5 to 4,209.9 in 42,829 shares valued at \$348m.

The gold and precious metals index rose 22.75 at 9,827.66, leading losses in six of the 14 sector indices. Strong sectors included base metals, consumer products, oil and gas, forestry and industrial products.

## Mexican equities jump 6.9%

Mexico City saw a technical rebound and a creeping return of confidence among domestic investors in the government's economic plan which took the market 6.9 per cent higher in late morning trade. The IPC index rose 110.88 to 1,726.39. Apasco, the cement company, led the advance with an 18.5 per cent rise while ICA, the construction group was 18.4 per cent higher.

SAO PAULO was propelled 4.6 per cent higher in moderate midday trade as the 27 per cent fall in the market since the start of the year prompted bargain hunting among blue chip and second line issues. Brazilian mutual funds and some foreign investors were also said to be adjusting their holdings. The Bovespa index was 1,536 higher at 32,992 at 1 pm in turnover of R\$172.3m (\$189.5m).

## Berlusconi bequeaths a bitter legacy in Milan

Andrew Hill reports on the equity market's retreat

It is almost exactly a year since Mr Silvio Berlusconi's coalition of right-wing political parties won a convincing election victory in Italy. On the strength of his success, Milan's Comit index rose to a record 817 by mid-May, fueling forecasts that it would top 900 in the following 12 months.

Yet a year on, the index is struggling below the 600 mark, and foreign investors, who helped to drive the surge in Italian equity prices immediately after Mr Berlusconi's victory, have all but deserted the Italian market. The Comit index closed yesterday up 3.47 at 591.46.

Mr Joe Rooney, European equity strategist at Lehman Brothers in London, is recommending international investors to remain underweight in Italian and believes that it will be some time before that recommendation changes. "What we saw between the election of Berlusconi and the peak of the market was a very strong inflow of money from overseas, coupled with a surge of money coming into equity mutual funds," he explains. "That left overseas investors with a very high exposure to Italian equities relative to what they had in the past."

Disappointment about the performance of Mr Berlusconi's coalition, which finally collapsed in December, and since then, continued uncertainty about the political and economic future of the country are the main reasons for the exodus of foreign investors.

The survival of the "technical" government of Mr Lamberto Dini, which this week pushed emergency budget measures through the upper house of the Italian parliament, is not enough to revive interest in equities. Indeed, analysts fear that the supplementary budget, though good news for the domestic debt market, may fuel inflation, already running at an annualised rate of nearly 5 per cent. That increases the risk of higher interest rates, which could put a brake on the corporate recovery.

Sentiment in the Italian equity market is now almost

exactly the opposite of a year ago. In the two months after the election, large Italian companies as diverse as Mediobanca, the Milan merchant bank, and Finmeccanica, the state-controlled engineering group, announced plans for a series of rights issues.

The Mediobanca issue eventually had to be delayed in June because of deteriorating market conditions, but most of the other issues were swallowed with hardly a hiccup. Now, however, as Mr Massimo Continello of Carnegie International's Milan office explains, "the big fear in the short term is the fear of capital increases".

The recent performance of

intended to fund further additions to the group's investment portfolio. The rights issue was launched on Monday, but Gemina's shares are still languishing below the rights issue price of L1,000 a share: they closed yesterday at L855.

The fact that Gemina is a part of the "salotto buono", or good drawing room, of the most illustrious Italian companies has only added to investors' nervousness. In particular, there are fears that Mediobanca, which sits at the centre of this network, is priming its allies for the purchase of shares in state-controlled companies like Stet, the telecommunications holding group, and Enel, the electricity generator, which are soon to be privatised.

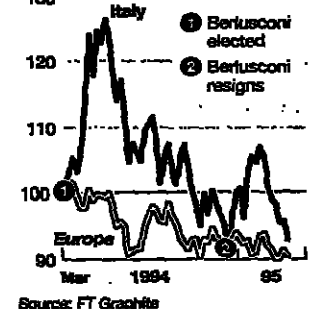
Mediobanca has already established a consortium with its traditional banking allies - Banca Commerciale Italiana, Credito Italiano, and Banca di Roma - which has offered to buy the government's 61 per cent stake in Stet and sell it on to a core of industrial shareholders. The merchant bank itself has the ability to relaunch its aborted rights issue at any moment.

In this febrile atmosphere, fundamentals seem to count for very little. Most large Italian companies - with the notable exception of Olivetti - are expected to confirm the strong improvement in 1994 results in the next few weeks, and on Thursday Fiat revealed that group turnover had risen by some 80 per cent in the first two months of the year against the equivalent period of 1994. Analysts expect an average rise of some 50 or 60 per cent in corporate profits for 1994, and about 30 per cent for 1995.

But that still leaves Italian shares looking, at best, fairly valued on a prospective price/earnings ratio of 19 for 1995. As Mr Rooney at Lehman Brothers points out, certain other European markets are trading on single-figure prospective p/e ratios for next year, whereas the Italian market is on a multiple of 15 or 16 for 1996.

## Italy

FT-A Indices in local terms (rebased)



Source: FT Graphix

## EUROPE

## Zurich spurts before failure of UBS talks

A two-way market in global investment strategy yesterday had Nomura's Mr Nicholas Knight talking about "a big, bad, ugly bear", writes Robin Griffiths, chief technical analyst at James Capel, said that US equities were "pulling the world into a new two year bull market." Meanwhile, Deutsche Bank broadened its approach to cover both extremes; and UBS, in Switzerland, looked inward yet again.

ZURICH sprang to life, up 1.9 per cent on speculation that UBS might be about to announce an end to its dispute over plans for a single class of share, and as investors backed Sandoz's plans to spin off its chemicals division. The SMI index rose 45.9 to 2,556.5 for a 1.3 per cent rise over the week.

UBS bearers gained SF7.35 to SF1,057 after the bank called a press conference, held after the market closed, to give details of negotiations with Mr Martin Ebner's BK Vision investment trust over the unitary share plan. In the event, UBS said that no settlement had been reached. In later London trading on Seaq International, the shares eased to SF1,040.

## FT-SE Actuaries Share Indices

Heavy change

|                     | Open    | 10.30   | 11.00   | 12.00   | 13.00   | 14.00   | 15.00   | Close   |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| FT-SE Actuaries 100 | 1230.31 | 1231.22 | 1232.21 | 1231.40 | 1232.11 | 1236.11 | 1238.41 | 1241.50 |
| FT-SE Actuaries 200 | 1346.47 | 1347.81 | 1348.42 | 1348.33 | 1347.35 | 1350.52 | 1352.38 | 1355.45 |

FT-SE Actuaries 100 1238.24 1238.31 1238.89 1238.83 1237.20 1241.50  
FT-SE Actuaries 200 1345.44 1345.80 1346.33 1346.33 1345.20 1348.50  
FT-SE Actuaries 300 1345.44 1345.80 1346.33 1346.33 1345.20 1348.50

Mr Ian McEwan at Merrill Lynch commented that it came as no surprise to discover that the two sides had been talking. "What is surprising is that the bank was prepared to offer a bunch of goodies to the registered shareholders. At the end of the day, the two sides are going to have to reach some form of agreement, but it is clearly going to take time."

Sandoz registered gained SF7.35 or 5.5 per cent to SF7.73 on analysts' upgrades after its unexpected announcement of restructuring plans late on Thursday. One analyst suggested that a sale of the chemicals division could raise up to SF2.5bn and the proceeds used to build the company's presence in Asia.

Ciba, which reports full year figures on Tuesday, saw its

registered stock up SF7.34 at SF7.745 on speculation that it might follow Sandoz's lead with a disposal from its industrial division.

FRANKFURT read that a worst case scenario from DB Research could see the Dax index fall as low as 1,600 if the appreciation of the D-Mark continues on the world's foreign exchanges. On Thursday, Mr Thomas Nelke, the broker's chief analyst, said that the Dax could still peak in the 2,400 to 2,500 range this year if the dollar holds, or improves.

Shares declined, but recovered on improvement in the dollar and bond markets and a new peak for the Dow. The Dax closed 0.79 higher at an all-time high of 1,955.87, down 2.2 per cent on the week, owing much of its resilience to recent lag-

gards. Conti, the tyre maker, rose DM6.20 to DM194.50, Lufthansa DM4.70 to DM174.70 and Thyssen, in steel, by DM4.70 to DM174.70. Turnover eased from DM7.4bn to DM7.2bn.

PARIS was cheered by the franc's recovery against the D-Mark as the CAC-40 index rose 21.58 to 1,817.29, up 1.6 per cent on the week, in turnover of FF4.95bn.

Industrials outperformed, Renault rising FF5.40 to FF166.70 ahead of next week's results and LVMH by FF17.10 to FF79.60 after a strong figure on Thursday. However, DMG, the textiles group, was punished for a 1994 loss, the shares falling FF21.20, or 8.4 per cent to FF230.50.

AMSTERDAM saw short covering as US economic data boosted the dollar and bond markets, the AEX index rising 2.73 to 391.06, 0.4 per cent down on the week. However, the announcement of a second privatisation share issue in Dutch PTT left the post and telecommunications company F12 lower at F155.10.

STOCKHOLM's Affarsveckens General index finished 15.00 higher at 1,461.40, flat on

the week. Electrolux fell SKr5.50 to SKr341.50 after announcing that it was abandoning plans to sell off its US Granges unit.

HELSINKI saw weakness in forestry and banking shares as the Hex index fell another 11.4 to 1,584.4, down 6.4 per cent on the week. Investors were worried by the weaker dollar, and concern that domestic growth might be slowing.

ISTANBUL climbed another 2.1 per cent to its latest all-time high of 1,645.40, up 1.6 per cent on the week, with brokers worried about profit-taking after a jump of 26 per cent so far this month.

Written and edited by William Cochrane, Michael Morgan and Jeffrey Brown

## SOUTH AFRICA

Gold fell, traders saying that fears of poor gold mine quarters in April had undermined the sector in spite of a steady bullion price. The overall index fell 25.7 to 5,530.8, industrial 13 to 5,638.9, and the gold index by 31.3 to 1,372.6.

## LONDON EQUITIES

## LIFE EQUITY OPTIONS

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

Option Date Price Puts Date Price Puts

## RISKS AND FALLS

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

## RISKS AND FALLS

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday

On Friday



## LONDON STOCK EXCHANGE: Dealings

Details of business done show below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and are settled through the Stock Exchange's Tailsman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 4.2(a) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. † Bargains close the previous day.

## British Funds, etc

Treasury 10% Stk 2000/05 - £121.12 1/2  
Exchequer 10% Stk 2000 - £119.15  
(17/95)

## Corporation and County Stocks

Birmingham District Council 11 1/2% Stk 2012 - £118.22 (22/95)  
Bristol City 10 1/2% Stk 2000 - £115.15 (17/95)  
Buckley Metropolitan Borough Council 7 1/2% Stk 2010 (Reg) - £105.15 (17/95)  
Leeds City 10 1/2% Stk 2000 - £115.15 (17/95)  
Leicester City Council 7 1/2% Stk 2010 (Reg) - £105.15 (17/95)  
Newcastle-Upon-Tyne City 11 1/2% Stk 2012 - £118.22 (22/95)  
Salford City 10 1/2% Stk 2000 - £115.15 (17/95)  
Sheffield City 10 1/2% Stk 2000 - £115.15 (17/95)  
South Yorkshire Council 7 1/2% Stk 2010 (Reg) - £105.15 (17/95)

## Foreign Stocks, Bonds, etc

## (coupons payable in London)

Abney National Staking Club PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
Abney National Staking Club PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
Abney National Staking Club PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
Abney National Staking Club PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
Abney National Staking Club PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
Abney National Staking Club PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
Abney National Staking Club PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
Abney National Staking Club PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## Listed Companies (excluding Investment Trusts)

## ANZ PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## ASDA PLC 4 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## FT-SE ACTUARIES INDICES

The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices and the FT-SE Actuaries Industry Basket are calculated by The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited. © The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited 1994. All rights reserved.

The FT-SE Actuaries All-Share Index is calculated by The Financial Times Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries. © The Financial Times Limited 1994. All rights reserved.

The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices, the FT-SE Actuaries Industry Basket and the FT-SE Actuaries All-Share Index are members of the FT-SE Actuaries Share Indices series which are calculated in accordance with a standard set of ground rules established by The Financial Times Limited and London Stock Exchange in conjunction with the Institute of Actuaries and the Faculty of Actuaries. FT-SE and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited.

British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)

British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)  
British Land Co PLC 5 1/2% Stk 2000 (Reg) - £105.15 (17/95)

## Starting Issues by Overseas Borrowers

## Australia Commonwealth 10 1/2% Stk 2012 (Reg) - £118.22 (22/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)

## Canada 10 1/2% Stk 2000 (Reg) - £115.15 (17/95)







### INVESTMENT TRUSTS - Cont.

155



**INVESTMENT COMPANIES - Cont.**

**OIL EXPLORATION & PRODUCTION - Cont.**

## PROPERTY

**RETAILERS, GENERAL - Cont.**

### TRANSPORT - Cont

## INV TRUSTS SPLIT CAPITAL

[illegible]

|                      |                   |                  |                   |
|----------------------|-------------------|------------------|-------------------|
| Ordinary Evt. Conts. | 10                | 10               | 10                |
| Dry Fund             | 609 $\frac{1}{2}$ | +1 $\frac{1}{2}$ | 725 $\frac{1}{2}$ |
| Over 100             | 98                | 98               | 98                |

[illegible]

|             |         |            |    |      |      |
|-------------|---------|------------|----|------|------|
| Ops         | 40      | 73         | 38 | 283  | 296  |
| 95-nc Cn Pl | 103 1/2 | +1 107 1/2 | 98 | 41.5 | 11.6 |

[illegible]

BDA \_\_\_\_\_  
Barbours \_\_\_\_\_

[illegible]**SPIRITS, WINES & CIDERS**[illegible]

Ocean Bird .....  
 Ocean Willets .....  
 R. & O. Old .....

[illegible]

## SELECTED INVESTMENT TRUSTS

[illegible]

|               |     |     |   |   |
|---------------|-----|-----|---|---|
| Southend      | —N  | 20  | — | — |
| Grampian TV A | —+N | 283 | — | — |

|    |                    |     |    |    |
|----|--------------------|-----|----|----|
|    | Emergence of the   | 180 | -1 | 17 |
| 1  | Harrison's Florida | 170 | -1 | 17 |
| 2  | Raymond            | 170 | -1 | 17 |
| 3  | Johnston           | 310 | +1 | 18 |
| 4  | Harrison's         | 170 | -1 | 17 |
| 5  | Harrison's         | 170 | -1 | 17 |
| 6  | Johnston           | 310 | +1 | 18 |
| 7  | Johnston           | 310 | +1 | 18 |
| 8  | Johnston           | 310 | +1 | 18 |
| 9  | Johnston           | 310 | +1 | 18 |
| 10 | Johnston           | 310 | +1 | 18 |
| 11 | Johnston           | 310 | +1 | 18 |
| 12 | Johnston           | 310 | +1 | 18 |
| 13 | Johnston           | 310 | +1 | 18 |
| 14 | Johnston           | 310 | +1 | 18 |
| 15 | Johnston           | 310 | +1 | 18 |
| 16 | Johnston           | 310 | +1 | 18 |
| 17 | Johnston           | 310 | +1 | 18 |
| 18 | Johnston           | 310 | +1 | 18 |
| 19 | Johnston           | 310 | +1 | 18 |
| 20 | Johnston           | 310 | +1 | 18 |
| 21 | Johnston           | 310 | +1 | 18 |
| 22 | Johnston           | 310 | +1 | 18 |
| 23 | Johnston           | 310 | +1 | 18 |
| 24 | Johnston           | 310 | +1 | 18 |
| 25 | Johnston           | 310 | +1 | 18 |
| 26 | Johnston           | 310 | +1 | 18 |
| 27 | Johnston           | 310 | +1 | 18 |
| 28 | Johnston           | 310 | +1 | 18 |
| 29 | Johnston           | 310 | +1 | 18 |
| 30 | Johnston           | 310 | +1 | 18 |
| 31 | Johnston           | 310 | +1 | 18 |
| 32 | Johnston           | 310 | +1 | 18 |
| 33 | Johnston           | 310 | +1 | 18 |
| 34 | Johnston           | 310 | +1 | 18 |
| 35 | Johnston           | 310 | +1 | 18 |
| 36 | Johnston           | 310 | +1 | 18 |
| 37 | Johnston           | 310 | +1 | 18 |
| 38 | Johnston           | 310 | +1 | 18 |
| 39 | Johnston           | 310 | +1 | 18 |
| 40 | Johnston           | 310 | +1 | 18 |
| 41 | Johnston           | 310 | +1 | 18 |
| 42 | Johnston           | 310 | +1 | 18 |
| 43 | Johnston           | 310 | +1 | 18 |
| 44 | Johnston           | 310 | +1 | 18 |
| 45 | Johnston           | 310 | +1 | 18 |
| 46 | Johnston           | 310 | +1 | 18 |
| 47 | Johnston           | 310 | +1 | 18 |
| 48 | Johnston           | 310 | +1 | 18 |
| 49 | Johnston           | 310 | +1 | 18 |
| 50 | Johnston           | 310 | +1 | 18 |
| 51 | Johnston           | 310 | +1 | 18 |
| 52 | Johnston           | 310 | +1 | 18 |
| 53 | Johnston           | 310 | +1 | 18 |
| 54 | Johnston           | 310 | +1 | 18 |
| 55 | Johnston           | 310 | +1 | 18 |
| 56 | Johnston           | 310 | +1 | 18 |
| 57 | Johnston           | 310 | +1 | 18 |
| 58 | Johnston           | 310 | +1 | 18 |
| 59 | Johnston           | 310 | +1 | 18 |
| 60 | Johnston           | 310 | +1 | 18 |
| 61 | Johnston           | 310 | +1 | 18 |
| 62 | Johnston           | 310 | +1 | 18 |
| 63 | Johnston           | 310 | +1 | 18 |
| 64 | Johnston           | 310 | +1 | 18 |
| 65 | Johnston           | 310 | +1 | 18 |
| 66 | Johnston           | 310 | +1 | 18 |
| 67 | Johnston           | 310 | +1 | 18 |
| 68 | Johnston           | 310 | +1 | 18 |
| 69 | Johnston           | 310 | +1 | 18 |
| 70 | Johnston           | 310 | +1 | 18 |
| 71 | Johnston           | 310 | +1 | 18 |
| 72 | Johnston           | 310 | +1 | 18 |
| 73 | Johnston           | 310 | +1 | 18 |
| 74 | Johnston           | 310 | +1 | 18 |
| 75 | Johnston           | 310 | +1 | 18 |
| 76 | Johnston           | 310 | +1 | 18 |
| 77 | Johnston           | 310 | +1 | 18 |
| 78 | Johnston           | 310 | +1 | 18 |
| 79 | Johnston           | 310 | +1 | 18 |
| 80 | Johnston           | 310 | +1 | 18 |
| 81 | Johnston           | 310 | +1 | 18 |
| 82 | Johnston           | 310 | +1 | 18 |
| 83 | Johnston           | 310 | +1 | 18 |
| 84 | Johnston           | 310 | +1 | 18 |
| 85 | Johnston           | 310 | +1 | 18 |
| 86 | Johnston           | 310 | +1 | 18 |
| 87 | Johnston           | 310 | +1 | 18 |
| 88 | Johnston           | 310 | +1 | 18 |
| 89 | Johnston           | 310 | +1 | 18 |
| 90 | Johnston           | 310 | +1 | 18 |
| 91 | Johnston           | 310 | +1 | 18 |
| 92 | Johnston           | 310 | +1 | 18 |

|    |      |            |     |     |     |       |   |
|----|------|------------|-----|-----|-----|-------|---|
| 18 | 14.1 | Bath Price | 12  | 131 | 12  | 158   |   |
| -  | -    | Revenue    | 350 | 472 | 347 | 111.3 | 4 |

[illegible]

|    |     |               |        |
|----|-----|---------------|--------|
| 44 | 125 | M & W.        | 125    |
| 18 | 496 | Merchant Roll | 10 1/2 |

|     |     |                    |     |         |
|-----|-----|--------------------|-----|---------|
| 10  | 135 | Marathon Inc.      | 161 | 230 1/2 |
| 11  | 135 | Marathon Petroleum | 161 | 171     |
| 12  | 135 | Martin's Inc.      | 161 | 171     |
| 13  | 135 | Park Food          | 161 | 171     |
| 14  | 135 | Park Food          | 161 | 171     |
| 15  | 135 | Safeway Inc.       | 161 | 171     |
| 16  | 135 | Safeway Inc.       | 161 | 171     |
| 17  | 135 | Safeway Inc.       | 161 | 171     |
| 18  | 135 | Safeway Inc.       | 161 | 171     |
| 19  | 135 | Safeway Inc.       | 161 | 171     |
| 20  | 135 | Safeway Inc.       | 161 | 171     |
| 21  | 135 | Safeway Inc.       | 161 | 171     |
| 22  | 135 | Safeway Inc.       | 161 | 171     |
| 23  | 135 | Safeway Inc.       | 161 | 171     |
| 24  | 135 | Safeway Inc.       | 161 | 171     |
| 25  | 135 | Safeway Inc.       | 161 | 171     |
| 26  | 135 | Safeway Inc.       | 161 | 171     |
| 27  | 135 | Safeway Inc.       | 161 | 171     |
| 28  | 135 | Safeway Inc.       | 161 | 171     |
| 29  | 135 | Safeway Inc.       | 161 | 171     |
| 30  | 135 | Safeway Inc.       | 161 | 171     |
| 31  | 135 | Safeway Inc.       | 161 | 171     |
| 32  | 135 | Safeway Inc.       | 161 | 171     |
| 33  | 135 | Safeway Inc.       | 161 | 171     |
| 34  | 135 | Safeway Inc.       | 161 | 171     |
| 35  | 135 | Safeway Inc.       | 161 | 171     |
| 36  | 135 | Safeway Inc.       | 161 | 171     |
| 37  | 135 | Safeway Inc.       | 161 | 171     |
| 38  | 135 | Safeway Inc.       | 161 | 171     |
| 39  | 135 | Safeway Inc.       | 161 | 171     |
| 40  | 135 | Safeway Inc.       | 161 | 171     |
| 41  | 135 | Safeway Inc.       | 161 | 171     |
| 42  | 135 | Safeway Inc.       | 161 | 171     |
| 43  | 135 | Safeway Inc.       | 161 | 171     |
| 44  | 135 | Safeway Inc.       | 161 | 171     |
| 45  | 135 | Safeway Inc.       | 161 | 171     |
| 46  | 135 | Safeway Inc.       | 161 | 171     |
| 47  | 135 | Safeway Inc.       | 161 | 171     |
| 48  | 135 | Safeway Inc.       | 161 | 171     |
| 49  | 135 | Safeway Inc.       | 161 | 171     |
| 50  | 135 | Safeway Inc.       | 161 | 171     |
| 51  | 135 | Safeway Inc.       | 161 | 171     |
| 52  | 135 | Safeway Inc.       | 161 | 171     |
| 53  | 135 | Safeway Inc.       | 161 | 171     |
| 54  | 135 | Safeway Inc.       | 161 | 171     |
| 55  | 135 | Safeway Inc.       | 161 | 171     |
| 56  | 135 | Safeway Inc.       | 161 | 171     |
| 57  | 135 | Safeway Inc.       | 161 | 171     |
| 58  | 135 | Safeway Inc.       | 161 | 171     |
| 59  | 135 | Safeway Inc.       | 161 | 171     |
| 60  | 135 | Safeway Inc.       | 161 | 171     |
| 61  | 135 | Safeway Inc.       | 161 | 171     |
| 62  | 135 | Safeway Inc.       | 161 | 171     |
| 63  | 135 | Safeway Inc.       | 161 | 171     |
| 64  | 135 | Safeway Inc.       | 161 | 171     |
| 65  | 135 | Safeway Inc.       | 161 | 171     |
| 66  | 135 | Safeway Inc.       | 161 | 171     |
| 67  | 135 | Safeway Inc.       | 161 | 171     |
| 68  | 135 | Safeway Inc.       | 161 | 171     |
| 69  | 135 | Safeway Inc.       | 161 | 171     |
| 70  | 135 | Safeway Inc.       | 161 | 171     |
| 71  | 135 | Safeway Inc.       | 161 | 171     |
| 72  | 135 | Safeway Inc.       | 161 | 171     |
| 73  | 135 | Safeway Inc.       | 161 | 171     |
| 74  | 135 | Safeway Inc.       | 161 | 171     |
| 75  | 135 | Safeway Inc.       | 161 | 171     |
| 76  | 135 | Safeway Inc.       | 161 | 171     |
| 77  | 135 | Safeway Inc.       | 161 | 171     |
| 78  | 135 | Safeway Inc.       | 161 | 171     |
| 79  | 135 | Safeway Inc.       | 161 | 171     |
| 80  | 135 | Safeway Inc.       | 161 | 171     |
| 81  | 135 | Safeway Inc.       | 161 | 171     |
| 82  | 135 | Safeway Inc.       | 161 | 171     |
| 83  | 135 | Safeway Inc.       | 161 | 171     |
| 84  | 135 | Safeway Inc.       | 161 | 171     |
| 85  | 135 | Safeway Inc.       | 161 | 171     |
| 86  | 135 | Safeway Inc.       | 161 | 171     |
| 87  | 135 | Safeway Inc.       | 161 | 171     |
| 88  | 135 | Safeway Inc.       | 161 | 171     |
| 89  | 135 | Safeway Inc.       | 161 | 171     |
| 90  | 135 | Safeway Inc.       | 161 | 171     |
| 91  | 135 | Safeway Inc.       | 161 | 171     |
| 92  | 135 | Safeway Inc.       | 161 | 171     |
| 93  | 135 | Safeway Inc.       | 161 | 171     |
| 94  | 135 | Safeway Inc.       | 161 | 171     |
| 95  | 135 | Safeway Inc.       | 161 | 171     |
| 96  | 135 | Safeway Inc.       | 161 | 171     |
| 97  | 135 | Safeway Inc.       | 161 | 171     |
| 98  | 135 | Safeway Inc.       | 161 | 171     |
| 99  | 135 | Safeway Inc.       | 161 | 171     |
| 100 | 135 | Safeway Inc.       | 161 | 1       |

|    |      |            |     |   |
|----|------|------------|-----|---|
| 11 | 14.1 | Forminator | 160 | 1 |
|----|------|------------|-----|---|

|     |     |         |     |     |        |
|-----|-----|---------|-----|-----|--------|
| 2.8 | 0.5 | France  | 18  | 0.5 | France |
| 3.0 | 0.6 | France  | 19  | 0.5 | France |
| 3.2 | 1.0 | Hungary | 20  | 0.5 | France |
| 3.8 | 1.3 | Hungary | 21  | 0.5 | France |
| 7.5 | 1.5 | Hungary | 22  | 0.5 | France |
| 8.0 | 1.5 | Hungary | 23  | 0.5 | France |
| 6.2 | 1.3 | Hungary | 24  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 25  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 26  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 27  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 28  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 29  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 30  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 31  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 32  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 33  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 34  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 35  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 36  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 37  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 38  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 39  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 40  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 41  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 42  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 43  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 44  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 45  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 46  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 47  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 48  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 49  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 50  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 51  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 52  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 53  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 54  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 55  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 56  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 57  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 58  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 59  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 60  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 61  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 62  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 63  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 64  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 65  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 66  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 67  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 68  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 69  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 70  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 71  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 72  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 73  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 74  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 75  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 76  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 77  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 78  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 79  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 80  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 81  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 82  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 83  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 84  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 85  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 86  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 87  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 88  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 89  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 90  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 91  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 92  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 93  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 94  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 95  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 96  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 97  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 98  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 99  | 0.5 | France |
| 3.9 | 1.2 | Hungary | 100 | 0.5 | France |

price per share, along with the percentage discount to the prior price (Pm -) to the current closing share price. The NAW basis assumes prior

[illegible]

## MEMBER COMPANIES

[illegible]

Southern ☒ 236  
Sterling Pub ☒ 236

[illegible]

|      |      |             |     |     |     |     |
|------|------|-------------|-----|-----|-----|-----|
| 16.3 | 2.6  | Prohibition | AN  | 153 | 160 | 150 |
| -    | 53.9 | Physi       | 240 | 186 | 260 | 148 |
|      |      |             |     |     | 44  | 16  |

|    |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 70 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

|    |      |            |
|----|------|------------|
| 49 | 11.1 | Church     |
| 47 | 30.3 | Clinton Co |
| -  | -    | Coler Alb  |


[illegible]

|      |      |              |    |
|------|------|--------------|----|
| B.O. | 8    | Stigma       | NI |
| 4.6  | 13.5 | Stirling Exp | NI |

[illegible]

|   |     |      |                    |
|---|-----|------|--------------------|
| 4 | 4.7 | 14.4 | yield after repaid |
| 3 | 8.3 | 0    | is Assumed divid   |
|   |     |      | yield after repaid |

[illegible]

**Annual Reports Service**  
 Obtain the current annual/interim  
 company annotated with   
 the code FT9981. Ring 0181-770770  
 24 hours (including weekends) or  
 03822, if calling from outside the  
 181 770 0770 or fax +44 181 770  
 will be sent the next working  
 to availability.

©  
 Second share prices are available by  
 from the FT Cityline service. See  
 price pages for details.

Our service is available for callers  
 annual subscription £250 stg  
 UK, 4378 (+44 171 873 4378)  
 for more information on FT Cityline.



## Global warming 'to lift disaster insurance costs'

By Ralph Atkins in London

The cost of insuring against natural disasters could rise significantly over the next few years, and some cover may be withdrawn, even if world leaders agree tougher curbs on carbon dioxide emissions, a leading Lloyd's of London underwriter has warned.

Insurers fear that global warming is accelerating the trend towards costlier natural catastrophes, according to Mr Richard Keeling, lead underwriter of the Harvey Bowring Lloyd's syndicate and former deputy chairman of the insurance market.

An international summit meeting in Berlin next week on climate change would be unlikely to assuage such concerns, he said. The impact of carbon dioxide and other greenhouse emissions might be such that "even if we suddenly got religion and stopped everything tomorrow, it would still go on for decades".

Mr Keeling, an observer at next week's conference, said the flow of capital into the world's insur-

ance companies over the past few years - attracted by the industry's recent profitability - "has lulled the ultimate customer into a slightly false sense of security".

Prices of many household and commercial catastrophe policies had fallen recently, when they should be rising, he said.

His comments reflect growing concern among insurers about the escalating cost and severity of natural catastrophes - particularly windstorms, such as hit the UK in 1987, and flooding.

Figures released earlier this month by Munich Re, the world's largest reinsurer, showed that the cost to the world's insurance companies of large-scale natural disasters is 14 times as high as in the 1960s.

But the Berlin summit - intended to build on a 1993 agreement in Rio to cut carbon dioxide emissions to 1990 levels by 2000 - is thought unlikely to agree on a new protocol for further reductions in greenhouse gases.

Although evidence about global warming is not conclusive, some scientists believe the climate is changing because high

emissions of greenhouse gases are making the planet warmer.

Mr Keeling said insurance cover was being withdrawn in some parts of the world - for instance in the Caribbean - as a result of fears about windstorms.

In the UK, companies such as the Royal Bank of Scotland's Direct Line were "cherry-picking" the most attractive risks to underwrite. "I suspect that there will be an increasing problem of availability for risks that are clearly in some fairly suspect places," Mr Keeling said.

He called for a "partnership" between insurers and clients to minimise exposure to risk, by improving building standards, for instance.

He admitted that insurers had an incentive to talk prices higher - but by lowering exposure to risks, premiums would fall. He said underwriters at Lloyd's, which set "benchmark" rates for many classes of insurance policies, had learnt the lessons of the late 1980s and early 1990s when the market lost heavily after a succession of natural catastrophes.

## Britain to oppose French proposals over pay

By Robert Taylor, Employment Editor

French proposals to make it obligatory for EU companies operating in member states other than their own to apply host country pay rates and conditions, even if an employee is there only a day, face strong opposition from the UK.

Mr Michael Portillo, Britain's employment secretary, will tell the EU social affairs council meeting in Brussels on Monday the proposals - a French redraft of a planned directive on posted workers - are protectionist and anti-competitive. The proposals are also opposed by Portugal, Ireland and Greece, and concern has been expressed by the EU social affairs commission.

France, which holds the EU presidency until June, also wants other EU member states to back a declaration which would threaten developing countries with restrictions on market access unless they ban child and slave labour and allow unions and bargaining with employers.

Mr Portillo said yesterday the posted workers directive was "contrary to the principles of free movement of labour and open competition" and was designed "to prevent companies from low cost countries in Europe from competing for work in higher cost countries".

"Its strongest supporters are France and Germany," he said. "It is directed specifically at preventing people from the Mediterranean member states from finding jobs in northern Europe." It would lead to "confusion and absurdities".

Lorry drivers, businessmen, computer maintenance workers, journalists and other employees posted abroad for very short periods would have to have changed terms and conditions of employment while away.

It remains unclear whether the draft directive, as amended by France, will be adopted. Mr Portillo may find more support from other EU labour ministers for his resistance to the French attempt to win support for a non-binding declaration on "the social dimension in international trade".

"The effect of social clauses in trade agreements would be to erect new barriers to trade between developing and the developed world, depriving low cost producers in the developing world of their opportunity to become richer," Mr Portillo said.

He will accuse France and other developed countries of being "plainly protectionist... Their target is the rapidly growing economies of the Pacific area which have not adopted European-style collective bargaining and industrial relations".

"We should accept them as equal trading partners and it is patronising to try and impose European systems on them."

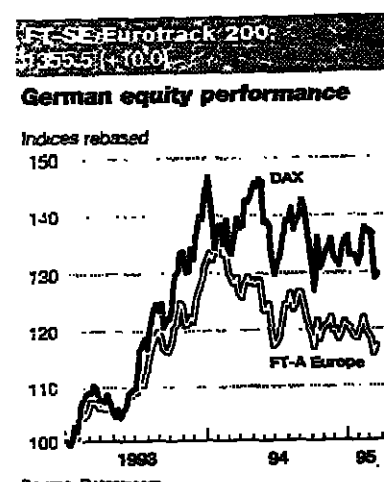
## THE LEX COLUMN

### Dax marks time

Optimists take the view that the German equity market is overreacting to the strength of the D-Mark. The Dax index of leading shares is down by 3 per cent this year, yet on a trade-weighted basis the D-Mark is up an undramatic 5.5 per cent since the beginning of the year. True, the 10 per cent appreciation against the dollar and even bigger gain against the lira will hit many German companies hard. But the impact on earnings growth should not be exaggerated: Merrill Lynch, for example, believes corporate earnings will still grow by 40 per cent this year and 23 per cent next, an adjustment from earlier predictions of growth of 50 per cent and 35 per cent respectively.

The trouble is that such downgrades will turn out to be the first of many if the D-Mark climbs further and the US dollar continues to weaken. This is distinctly possible, especially as the next move in German interest rates is still as likely to be up as it is to be down: over time the Bundesbank cannot be expected to ignore the inflationary implications of the recent wage settlement in the engineering industry.

Even without further pressure on earnings, valuations for equities already look stretched: the German market is trading at some 13.5 times next year's earnings, making it look significantly more expensive than the UK and other European markets. The view that the Dax index will sink from 1,914 now to 1,600 this year looks unduly bleak, but hopes of recovery to 2,000 or above look unrealistic.



Source: Datastream

of very mixed pedigree. The new management has already taken steps to bring its hotels under a central holding company and to build up some operating efficiencies. But an array of manufacturing businesses contributed £353m of revenues last year, yet turned in a £5m loss. Cost-cutting and disposals will be necessary if the company is to improve its cash flow and derive a satisfactory return on assets.

The positive argument for the shares is the estimated asset value per share of more than 200p, and the fact that few institutions were prepared to back the previous war-torn management regime. But while Mr Rowland may have managed the business as a personal fiefdom, Mr Bock has yet to prove his worth. It will be a long and slow process of recovery.

### Rolls-Royce

Rolls-Royce's £331m share placing to fund its acquisition of Allison Engine is an ingenious piece of financing, which skirts around some of the inconveniences of rights issues. The placing was priced at a smaller discount to the market price - around 5 per cent, instead of 15 per cent for a rights issue, for the same fees. Theoretically, the discount level is irrelevant, provided dividends are reduced accordingly. In practice, companies are paranoid about reducing their dividend-per-share level, even if they are maintaining the overall pay-out. This explains companies' reluctance to offer deep-discounted rights issues.

The placing also demonstrates that the pre-announcement of equity financing is not always punished. Rolls-Royce's share price has been relatively

robust since the news came out in October, mainly because the acquisition of Allison Engine is a worthy objective: Allison is strong in military aircraft, an area where Rolls-Royce is weak.

But the deal highlights an anomaly in existing pre-emptive rights rules, designed to protect the shareholders' interests. Shares which are part of a placing are more likely to end up with new investors than in a conventional rights issue. Existing holders can claw back shares, but retail investors are unlikely to do so. They cannot sell their option to buy new shares as in a rights issue. The argument is that, given the small discount, they are not losing much. But the line between acceptable and unacceptable dilution of shareholders' economic interests looks thin.

### Thorn EMI

It is hardly surprising that Thorn EMI's latest push into retailing has been greeted with scepticism. So soon after the closure of Rumbelows, the restructuring at the Dillons book-store chain suggests some inconsistency of management strategy. Moreover Dillons looks remarkably like a fast step in Thorn's well-known desire to push into book publishing. The fact that this could mean an impending deal, and possible earnings dilution, led some investors to run for cover.

But Thorn's management deserves more credit, given its achievements thus far. Since Sir Colin Southgate took the reins in 1985 he has transformed a sprawling web of interests into a group with just three fast-growing businesses. Analysts wax lyrical about the performance of the music business. But with few opportunities for acquiring record companies, it makes sense for the group to build on its skills in managing intellectual property by investing in publishing. The purchase of Dillons can only help build up its expertise in the business, while helping to broaden its existing retail activities in HMV.

Thorn shares are on a 20 per cent premium to the market, but this is not out of line. Earnings should outpace the market, despite the heavy investment in its retail business. The company could also bump up earnings by accounting for part of its substantial pension fund surplus as profits. And even if the management's expansion strategy does not deliver the goods, Thorn will become a more attractive target for ambitious US media groups.

## Underground sues bankers as £1½m switches its route

By Charles Batchelor in London

London Underground is to sue its bankers after a cheque for more than £500,000 (£820,000) it sent to British Rail ended up in a German woman's account which she held in the French town of Metz.

London Underground, the publicly owned company which manages the British capital's underground train system, also plans to move its account through which £2bn a year flows.

The company alleges that National Westminster Bank (NatWest), in Britain, and Banque Nationale de Paris (BNP), in France, did not exercise sufficient care in dealing with the cheque, allowing it to be cashed by Ms Maria Brass, believed to be a doctor living in Homburg, a German town across the border

from Metz.

London Underground sent the cheque for £533,213 to BR last July to cover the underground's use of British Transport Police on its network. Instead of going through the electronic transfer system, used for most large payments, London Underground posted the cheque.

Despite the cheque being made out to the British Railways Board Central Banking Unit and crossed "account payee only", it was paid into the account of Maria Brass at a Metz branch of the BNP in September and subsequently cleared by London Underground's bankers, NatWest.

As soon as London Underground discovered its loss it took legal action to freeze Ms Brass' bank account, although it conceded she might be an innocent

party.

In an attack on the two banks in the latest edition of an LT company newsletter, Mr Tony Sheppeck, board member for finance at London Underground's parent company, London Transport, said: "We feel we have been let down by our bankers in this matter and have lost confidence in them. At the same time as taking legal action against NatWest, LU is moving its transactions account to another bank."

It plans shortly to advertise in the Official Journal of the European Union for another bank to handle its affairs.

London Underground yesterday said it has been negotiating with NatWest for several months to get its money back, but was offered less than a full refund.

## UK's deficit is cut back

Continued from Page 1

improvement in the second half of the year was a significant increase in the surplus on "invisible" items such as financial flows, investment income and government transfers. This balance reached a record surplus of £10.4bn during the year.

City economists yesterday said these financial flows could be very volatile. An unusually low level of government transfers to overseas institutions such as the European Commission at the end of last year, for example, flattered the final quarter's balance.

## Recruits too fat and unfit

Continued from Page 1

half in reasonable time. More educated and ambitious middle-class candidates from the south of England would be welcomed and the ability to take orders is considered an advantage.

Despite the defence cuts of the past five years, such recruits are needed because the army has become unbalanced as it has thinned down. There are about 8,000 too many soldiers with more than six years' experience and a shortage of a similar number of recruits.

Senior army figures come close to blaming schools for the shortage. "Teenagers are not encour-

aged to play team games and get fit," said one general. Another senior officer added that "a well-meaning caring environment leaves them ill-prepared to be told in adult life that they have failed at anything".

As the army uses more high technology equipment it needs increasingly well-educated soldiers. It insists that it is misunderstood, and that the image of endless drill and barking sergeants is out of date.

Officers are looking at ways of giving recruits time to adjust to army life and plans are being considered to encourage those who sign up for the minimum three-year stint to stay longer.

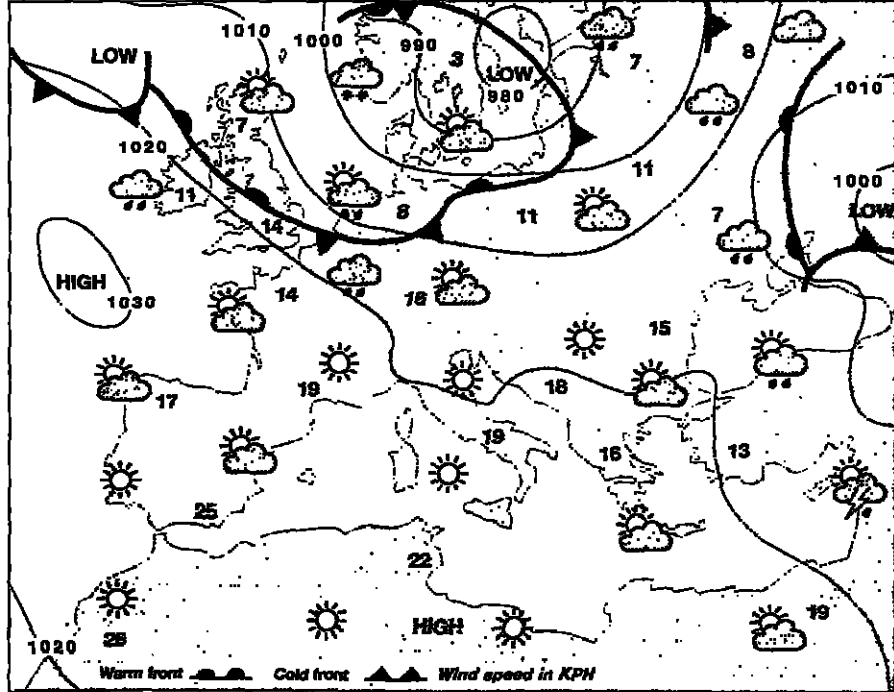
## FT WEATHER GUIDE

### Europe today

Spring-like conditions will disappear from most of north-western Europe. A series of depressions and fronts will track across this area, resulting in unsettled conditions with rain at times. A band of rain will linger over Ireland, England, the Benelux, Germany and Poland. There will also be rain in southern Finland and central Scandinavia, however southern Scandinavia will have sunny spells interspersed with showers. Some high cloud will remain over parts of France and Spain, but Italy and the western Balkans will continue to enjoy an early spring. The eastern Balkans will be sunny but with some cloud. Rain and thunder showers will break out over Cyprus, Israel and north-eastern Turkey.

### Five-day forecast

North-west Europe will remain unsettled. An area of low pressure will hang over Scandinavia while a high will build over the Atlantic. A northerly air flow will transport cold, unstable air between the two into western Europe. As a result, next week will start with wintry showers and significantly lower temperatures. This cold air will finally advance towards southern Europe causing unsettled conditions later in the week.




Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

### TODAY'S TEMPERATURES

|           |         |      |           |         |        |           |           |     |             |         |      |             |         |        |    |
|-----------|---------|------|-----------|---------|--------|-----------|-----------|-----|-------------|---------|------|-------------|---------|--------|----|
| Maximum   | Beijing | fair | 15        | Caracas | cloudy | 29        | Faro      | sun | 21          | Madrid  | fair | 20          | Rangoon | sun    | 34 |
| Minimum   | Cairo   | fair | 15        | Cardiff | rain   | 12        | Frankfurt | sun | 14          | Manila  | sun  | 19          | Rangoon | cloudy | 1  |
| Abu Dhabi | fair    | 29   | Belgrade  | sun     | 19     | Geneva    | sun       | 21  | Malta       | sun     | 18   | Rome        | fair    | 29     |    |
| Accra     | cloudy  | 32   | Berlin    | rain    | 11     | Gibraltar | sun       | 20  | Manchester  | sun     | 10   | Rome        | sun     | 17     |    |
| Algiers   | rain    | 21   | Bombay    | cloudy  | 20     | Cologne   | rain      | 11  | Glasgow     | drizz   | 8    | S. Frisco   | sun     | 17     |    |
| Amsterdam | rain    | 8    | Bogota    | cloudy  | 21     | Dakar     | fair      | 24  | Hamburg     | showers | 12   | Saudi       | sun     | 12     |    |
| Athens    | sun     | 14   | Bombay    | fair    | 32     | Dallas    | fair      | 24  | Helsinki    | showers | 12   | Singapore   | showers | 6      |    |
| Atlanta   | fair    | 21   | Brussels  | rain    | 10     | Delhi     | fair      | 29  | Hong Kong   | fair    | 22   | Stockholm   | rain    | 6      |    |
| B. Aires  | fair    | 28   | Buchapest | sun     | 17     | Dubai     | sun       | 28  | Honolulu    | cloudy  | 26   | Strasbourg  | fair    | 16     |    |
| Bham      | rain    | 12   | Chagan    | rain    | 17     | Dublin    | rain      | 11  | Islandia    | showers | 32   | Sydney      | sun     | 22     |    |
| Bangkok   | fair    | 36   | Cairo     | fair    | 19     | Dubrovnik | fair      | 18  | Jakarta     | showers | 31   | Taipei      | showers | 16     |    |
| Barcelona | fair    | 18   | Cape Town | fair    | 25     | Edinburgh | fair      | 9   | Jersey      | showers | 32   | Taipei      | showers | 16     |    |
|           |         |      |           |         |        |           |           |     | Karachi     | fair    | 31   | Nairobi     | showers | 30     |    |
|           |         |      |           |         |        |           |           |     | Kuwait      | fair    | 28   | Naples      | sun     | 17     |    |
|           |         |      |           |         |        |           |           |     | La Angeles  | sun     | 21   | Nassau      | sun     | 20     |    |
|           |         |      |           |         |        |           |           |     | Las Palmas  | sun     | 25   | New York    | sun     | 9      |    |
|           |         |      |           |         |        |           |           |     | Lima        | cloudy  | 28   | Nice        | sun     | 16     |    |
|           |         |      |           |         |        |           |           |     | Lisbon      | sun     | 23   | Nicosia     | showers | 16     |    |
|           |         |      |           |         |        |           |           |     | London      | rain    | 14   | Oslo        | fair    | 9      |    |
|           |         |      |           |         |        |           |           |     | Luxembourg  | rain    | 11   | Paris       | rain    | 14     |    |
|           |         |      |           |         |        |           |           |     | Lyon        | fair    | 18   | Perth       | showers | 32     |    |
|           |         |      |           |         |        |           |           |     | Moscow      | showers | 32   | Puerto Rico | rain    | 15     |    |
|           |         |      |           |         |        |           |           |     | Munich      | cloudy  | 11   |             |         |        |    |
|           |         |      |           |         |        |           |           |     | Naples      | fair    | 16   |             |         |        |    |
|           |         |      |           |         |        |           |           |     | Nassau      | sun     | 20   |             |         |        |    |
|           |         |      |           |         |        |           |           |     | New York    | sun     | 9    |             |         |        |    |
|           |         |      |           |         |        |           |           |     | Niagara     | sun     | 16   |             |         |        |    |
|           |         |      |           |         |        |           |           |     | Nice        | sun     | 16   |             |         |        |    |
|           |         |      |           |         |        |           |           |     | Osaka       | showers | 16   |             |         |        |    |
|           |         |      |           |         |        |           |           |     | Paris       | fair    | 9    |             |         |        |    |
|           |         |      |           |         |        |           |           |     | Perth       | showers | 32   |             |         |        |    |
|           |         |      |           |         |        |           |           |     | Puerto Rico | rain    | 15   |             |         |        |    |

Your frequent flyer program:  
Lufthansa Miles & More.



**Lufthansa**

Your frequent flyer program:  
Lufthansa Miles & More.

**Lufthansa**

**WHO'S GOT THE EXPERIENCE TO DO DEALS THIS BIG?**

Candover is one of the leading buyout firms in the UK with the resources to lead deals from \$5m to \$500m.

We have organised deals worth an aggregate value of almost \$2 billion, many of which have gone on to be successful listed companies including Fairway Group plc, Hays plc, Caradon plc and Kenwood Appliances plc.

If you are looking for an investor to back a buyout, Candover is the answer. Contact Stephen Curran or Doug Fairservice on 0171 459 9848.

**CANDOVER**

**THE BUYOUT SPECIALISTS**

ISSUED BY CANDOVER PARTNERS LIMITED, 35 OLD BAILEY, LONDON EC4A 3DF. A MEMBER OF CRO



# Weekend FT

Mike Tyson emerges from jail to find more calls for the abolition of his sport. As Keith Wheatley says, if hunting goes, can boxing be far behind?

## Fight to the death for a game on the ropes

Today in Indianapolis, a barred door of huge sporting, ethical and financial significance opens. Through it will pass Mike Tyson, a free man after serving a three-year sentence for rape. The baddest, toughest most feared heavyweight boxer of modern times will walk into a feeding frenzy of agents, promoters and media.

"If Tyson were to fight a lollipop lady off the zebra crossing, it would generate \$100m in pay-per-view television," says Frank Warren, Britain's top boxing promoter.

Despite its primitive roots, boxing seems to appeal to urban "civilised" man - and woman - as never before. Audience figures for the noble art are off the clock. The Nigel Benn versus Gerald McClellan middleweight fight in London a month ago raised the ITV network viewing figures to a level matched only by Coronation Street.

After the tenth round of that fight, McClellan was taken to the neuro-surgery unit of the Royal London Hospital. One month later he is still there, recovering very slowly from a one-hour operation to remove a blood clot from his brain.

Boxing has always been one of the least centralised, most anarchic sports.

The size of television audiences worldwide for big fights is turning it into a money-spinner to rival Hollywood. It retains a structure instantly recognisable to the Marquis of Queensberry, the 19th century British aristocrat who codified the rules of boxing.

Ringside medical intervention, while saving boxers' lives, is making the abolitionists' case for them.

Many of the commentators who said it was the most exciting bout they had ever seen later asked whether a sport consisting primarily of an intention to inflict severe brain damage - the knock-out - can continue, especially in a society some of whose members are willing to die for the rights of veal calves.

*Sports Illustrated*, the American magazine that has raised boxing writing to a near art form, headed its coverage of the Benn/McClellan fight with the one word headline: "Enough?"

"It was another vicious blow to boxing, and what might have been the fight of the year, the kind of occasion that ennobles both the fighters and their fans, has instead revived interest in the game's abolition," the magazine said. Ironically, the near perfection of the ring-side medical facilities, which

**Frank Bruno is the latest to become a national institution rather than a world champion**

saved McClellan's life, helped to renew the calls from the British Medical Association for an end to boxing.

Paramedics, a ringside anaesthetist and a top surgeon on stand-by at a nearby hospital were all provided on February 25 by the London Arena.

Nothing more could have been done by the medical profession. "The problem is that boxers are punching each other's heads," said a BMA spokesman.

And they don't want to stop. Frank Bruno is the latest in a long line of amiable, less than lethal, British heavyweights who become much-loved national institutions rather than world champions. Aged 32, he is making a comeback, with plans to fight Oliver McCall or Larry Holmes for the World Boxing Council title, with a possible winter bout against Tyson.

Exactly six years ago, from Mike Tyson's last fight, he decided to spend his time on A

Question of Sport and similar television shows rather than in the ring.

"Financially, I could quit now," Bruno said at the home in rural Essex he shares with his wife Laura, two daughters and imminent third child - a world away from Tyson's milieu of casinos, mobsters and beauty queens. "I just want that world title."

"Sure, it is a tough, tough sport. It pays good money but it's much riskier than robbing a bank or being a solicitor. For a lot of people it is a way out of the system, of having no job or working five days a week for peanuts."

Is he frightened by the thought of climbing back into a ring with a man regarded as the most dangerous fighter the 20th century has seen?

Does he worry that he might play with his daughters from a wheelchair, like Michael Watson, terribly injured in a fight four years ago with Chris Eubank?

"I'm hungrier, stronger, two stone heavier, more mature and I know why I'm doing this," answers Bruno. Word from inside the Plainfield Youth Detention Centre says that Tyson will emerge at around 210lbs (15st), which is 30 pounds lighter than the norm for a world-class heavyweight. Bruno should take the advantage while he can.

Whoever wins, the viewing figures for Tyson's first post-fight will break all sorts of records. "It will be an enormous attraction, wherever he fights, whatever time of day or night."

"The only real question to talk over with Don King is money," says Trevor East, head of sport at ITV. King is the American promoter/manager with a brush of white hair and a criminal record for manslaughter.

In recent years, East has found that there are two dis-

ting audiences for boxing: the hard-core aficionados, and the general public who will only turn on in their millions for a gladiatorial contest between two personalities. Fortunately for the broadcasters, there seem to be plenty of the latter around.

"It is pretty satisfying to get 11m people to turn on for a Bruno fight on Saturday night, but it is really amazing that the week before that, 6.5m people watched Naseem Hamed at 11.30 pm," East adds.

The crossover from athlete to star fighter can be made startlingly quickly; the 21-year-old Yorkshire boxer whose parents are from the Yemen has been known outside boxing circles for little more than a year. In strut and style he resembles Chris Eubank, the posing middleweight who managed to strike an extraordinarily lucrative £10m deal with Sky TV.

East and his colleagues at ITV chortled over the misfortunes of Sky as the audience figures were as lacklustre as Eubank's easily beaten rope-adoles, until the loss of his world title last Saturday to Irishman Steve Collins.

However, the satellite broadcaster is close to the technical breakthrough which will allow it to charge viewers for particular programmes (or fights) in the UK.

When that happens, fees, which are already large, will go through the roof.

"Could I get a million viewers to pay £15-a-head to watch Tyson versus Bruno?" Frank Warren asks rhetorically. "You bet."

It's just a question of waiting for the box of tricks to become available. There is hardly a week that Sky does not come wooing Warren despite his 15-year association with the rival ITV. But however large the

Continued on Page II

### CONTENTS



**Fashion:** Suits - good quality at lean prices V

**Perspectives:** Baffled by the mother of all parliaments III

**Food:** A restaurateur does more than tempt the tastebuds VI

**Outdoors:** Seals - fishermen's competitors which recognise no quotas XIII



**Arts:** James Gunn - a great artist, all but forgotten X

**Peter Asplund:** on an advertising brief from hell XVIII

**Arts:** X, XI  
**Arts guide:** XVI  
**Books:** VIII, IX  
**Bridge, Chess, Crossword:** XVII  
**Fashion:** V  
**Food & Drink:** VI  
**Outdoors:** XIII  
**How To Spend It:** XII  
**Marketing:** XIV  
**Perspectives:** III-IV  
**Property:** X  
**Science:** XVII  
**Small Businesses:** I  
**Sport:** XV  
**Travel:** XIV, XV

**Weekend Investor:** Personal finance XXI-XXII

Joe Rogaly

## Alone in a global village

A wired up society could herald the end of face-to-face communities

Politicians may go blue in the face expressing our longing for social cohesion, but technology will break us apart. Evidence of the continuing disintegration of western society washes over us almost every day. This week I fell among men and women in the property trade, and found yet another reason to picture a world in which most citizens will sit alone in caves, backs to the entrance, hunched over flickering screens. My new acquaintances would not all agree with me, at least not completely, but it does appear that two more existing mechanisms for bringing us together - the shopping centre and the office - are under threat.

Tele-shopping is in its infancy, although it could be a beast when grown up. Laptop working, from anywhere, is already with us. In consequence, more individuals will be isolated for longer periods of the day and greater proportions of the week. The computer is supposed to link everyone in a "global village" through the internet. Perhaps it does serve that purpose for some people. At the same time it might be the death of many living face-to-face communities, most probably the middle-income, middle-class, white collar tribes that commute to and from city centres. In Britain and the US, and I

dare say elsewhere, it is arguable that we already have too many office towers and an over-abundance of suburban malls and ring-road supermarkets. Many of these concrete expressions of 1980s deregulation may become empty memorials of the disappearing administrative culture of the late 20th century. There is already excess supply. The prospect, as the turn of the millennium approaches, is of a steady erosion of demand.

Sir Richard Greenbury acknowledged on Wednesday that many parts of the country are oversupplied. The chairman of Marks and Spencer suggested that town centres would revive, partly in consequence of the brake on greenfield developments. He also intimated, tellingly, that in future the competitive battle would be over service rather than space.

At about the time he was talking another retailer, of equivalent stature, said much the same to me at a private conclave. The majority of people in Britain still go out for a weekend buying spree, but in this cannot be relied upon. In the US, I gather, the square footage of retail selling space per head of population has increased by nearly 50 per cent since 1980. Sooner or later they will be obliged to slow down, perhaps stop. The better establishments in the

higher cost areas might survive, but what about the rest?

Tele-shopping does not mean that all consumers will cease to visit shops. For some, going out to the store is a pastime, a chance for a chat. Others feel that it is necessary to touch the goods, or try on garments before buying. Because of this some in the real estate trade argue, perhaps complacently, that interactive

front may seem irrelevant. Back-office employment in these and other industries is already squeezed. The headlines abolish thousands of such jobs every week. This is only partly explained by the efficiencies available to users of electronic gadgets. There is also the global drive to cut costs, by trimming payrolls, to be sure, but also by smarter - that is meaner - use of available accommodation.

You have doubtless read of "hot desking", perhaps under other labels. "Musical chairs" might express it better. Instead of everyone in a sales force having an office, the company provides a small cubicle, a telephone, and a computer plug-in point. There are fewer places than, say, sales people. Why not? The reps should be out on the road selling, not taking tea next to their pot plants.

When large companies have exhausted the possibilities of operating with fewer personnel, they turn to outworking. Airlines, telecommunications, and computer corporations are leading the way. Operators may be linked, but they work at home, or in far-flung locations. The other day I rang British Airways to reserve a flight. My telephone is in London. I found myself talking to a woman in Glasgow, who seemed to be programmed to offer only the highest cost

option. Distance seemed to lend strength to her determination not to do a deal.

While airlines behave like that, we will continue to need travel agents. In all the instances I have listed, the benefits of personal confrontation will weigh in favour of the maintenance of some communal premises. Sales are always best conducted by one person directly offering goods or services to another, without benefit of electronic intervention. Office workers can be more easily managed if they are present. Managers can better pick their colleagues' brains if they meet in the corridor, or at the coffee-machine. We purveyors of ideas know all about that.

The above list of reasons for the maintenance of workplace communities may reassure those who fear a completely wired society, of a network of isolated individuals on short contracts. Of course there will be full office blocks, permanent jobs, and bustling malls, in the 21st century. Against that, we can be pretty sure that they will not encompass all white-collar employees, or every shopper. Outworking is likely to increase. So is armchair shopping. Nobody knows how far the process will go. This is not something governments can control. That is why so many of us decline to place our faith in politicians.

**Glamorise the remote point of sale... and the high street front may seem irrelevant**

## FOR SALE

### 3 BEDROOM LAKESIDE RETREAT IN 11,000 ACRE COTSWOLD COUNTRY ESTATE

Sailing, windsurfing and canoeing @ Choice of two golf courses @ Private trout fishing lake @ Tennis courts and clubhouse @ Health and fitness club @ Year-round security and maintenance.

Escape to the Watermark Club in the Cotswolds.

And savour the precious freedom of leisure in your second home. For more information, or to make an appointment to view call us now on

01285 862288 or clip the coupon below

FEATURED  
ON BBC 2  
MODERN TIMES



A 5 bedroom house from  
**£84,900**  
for outright ownership.

The Watermark Club  
South Cerney, Cotswolds

NAME \_\_\_\_\_  
ADDRESS \_\_\_\_\_  
POSTCODE \_\_\_\_\_ TEL \_\_\_\_\_

The Watermark Club, Cotswold Country Estate  
South Cerney, Gloucestershire, GL7 5TH, Telephone: 01285 862288

FT 2543



## PERSPECTIVES

# Will the bubble burst for Tinker's pioneers?

Clive Fewins on one group's battle to live on their land

Life is tough at Tinker's Bubble, a pioneering "back to the land" community in a lovely position on a hillside near the village of Norton Sub Hamdon in Somerset.

There a dozen settlers are fighting a test case to establish the right to live on the land they jointly own. They have been refused planning permission to erect seven shelters on the land.

On the February night when I was the guest of the community the wind was whipping through the pinewoods that are home to a family of six, including a girl aged two, and the half-dozen other men who have owned the 40-acre site since January 1994.

I had walked a quarter of a mile through orchards and a sea of mud to reach the hill where Chris Black, the major shareholder and his friends are living in a group of benders, wood and canvas dwellings, and a large 16ft diameter canvas yurt - a round willow and canvas arrangement with a central stove made from an old butane gas cylinder.

Inside the yurt all was warm and cosy, if lacking in domestic comforts such as chairs and a table.

This is the central meeting place where the members eat, meet and discuss their philosophy and plans nightly. Three members also sleep there.

Days are spent farming, managing the woodland, and constructing the timber and canvas benders that they hope will eventually be their homes. I joined them for a meal of stew cooked outside on a fire in a February evening.

We ate in the yurt, then spent the evening talking before settling down for the night in sleeping bags ranged round the stove.

My night's sleep was interrupted only by the wind and the beating of incessant rain outside on the yurt.

The aspirations of the group may come to nothing at a two-day hearing to be held in Norton village hall on April 4-5, when an inspector from the

Department of the Environment will hear their appeal against refusal of planning permission.

The community's case is simple. They own the land, which they bought for £55,000 from a local farmer and divided into 2,000 shares. They wish to live there in buildings they describe as "low impact homes" which they are erecting themselves.

Ranged against them are the planners of South Somerset District Council, who fear that to grant planning permission in such an attractive rural hillside site would be to set a pre-



cedent.

Black's response is that the community is prepared to agree to the most stringent of conditions that might be attached to any planning permission.

"Such conditions would ensure that further building at Tinker's Bubble would not be an attractive prospect for any speculative developer," he says. "We have no mains electricity, and do not desire it, no main drainage and only an earth closet. Our water comes from the stream at the bottom of the hill after which we have named our community. We have to carry it by hand in large containers 250 yards up a steep slope."

"We obtain our milk from our own cow and have a shire horse to help work the land and with the forestry. We own one vehicle between us so the

lane below is hardly overworked. It is a harsh life, especially in winter, but it is the way we have opted to live on our land."

The council believes there is no agricultural or other justification for the presence of the group, which it says presents a visual intrusion in an area of attractive open countryside. It says their presence could result in damage to flora and fauna, and generate extra traffic along the narrow lane which forms the main access.

Peter Bishop, the council's development control manager, will be producing evidence for the council. He says: "We shall be saying that we cannot alter the conditions on the decision notice. We have seen the draft management plan produced by the community at Tinker's Bubble, and feel they have a fair amount of it generally right, but priorities and time-scales are all missing so we feel there is still a big credibility gap."

"Our other major point is that within the 40 acres we do not feel there is a sufficient level of agricultural and forestry activity to justify the key workers living on the site."

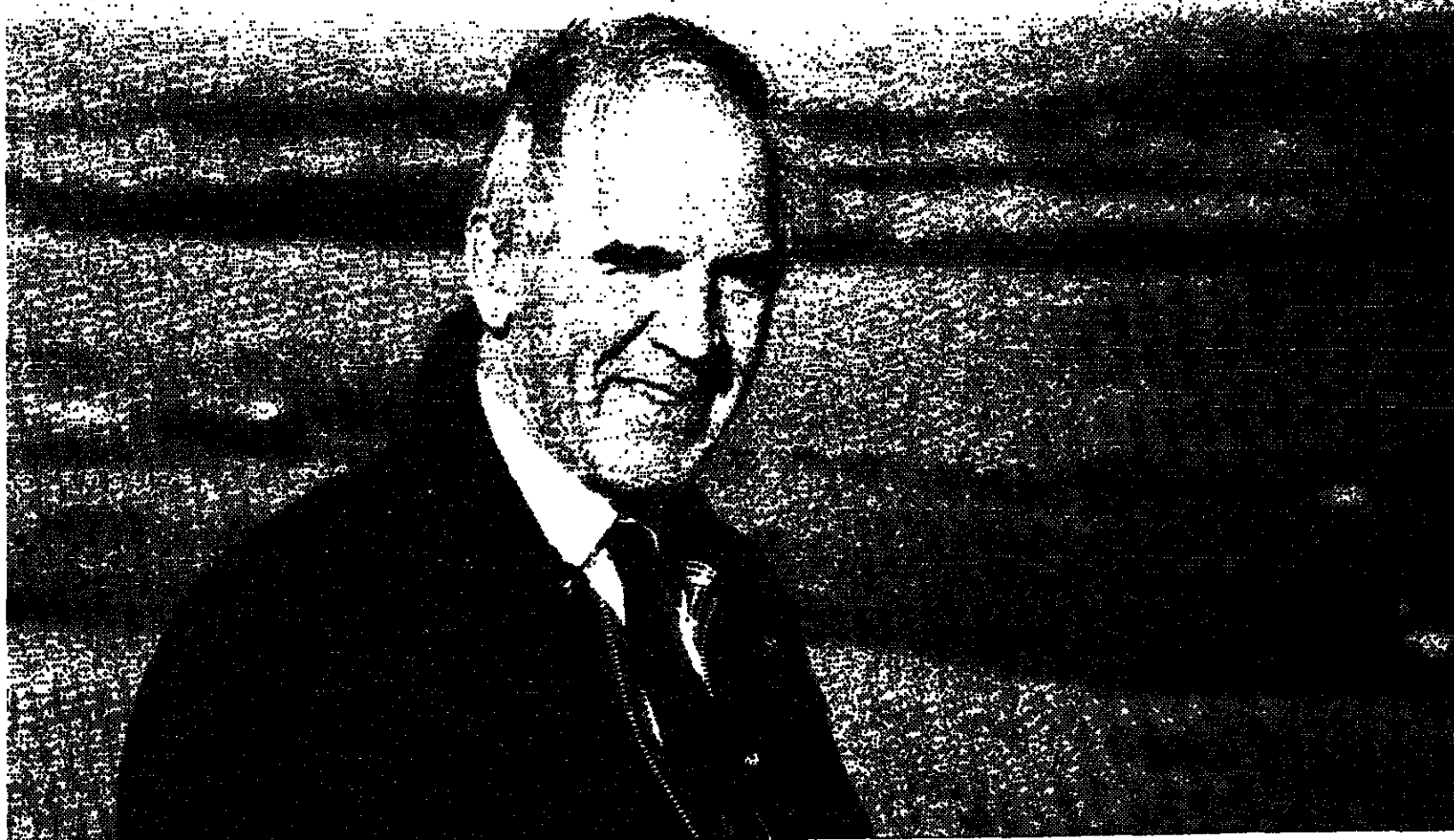
"We also feel the presence of people on the site must inhibit the movement of animals."

Black says: "This issue is all about the nature of land possession and our outdated planning laws. As a group we are economically fortunate; we paid for this land, but we still can't - within the law - live on it ethically, ecologically, out of sight and in low-impact homes."

"I believe everybody should have the opportunity to try living like this if they wish."

"I have been very inspired by the Digger Movement, born after the English Civil War, when a group of radical poor camped on land at St. George's Hill near Walton-on-Thames in Surrey to illustrate their belief that the earth was a common treasure, and April 1 1849 should always be remembered for that."

"We are very optimistic that we shall win."



Whipping up a good profit: Maitland Mackie on his Westertown farm where, because of a surplus of cream six years ago, a successful ice cream business began

David Richardson

## Minding Your Own Business

# Model of a modern farmer

"We had over 400 dairy cows and we were processing and doorstep delivering milk on about 60 milk rounds in the Aberdeenshire area."

"Demand for semi-skimmed milk was increasing every day and we had surplus cream coming out of our ears. Then this week a chap called through the door and said he knew how to make ice-cream and did we have a job for him. We converted a small shed into an icecream plant and we started."

That was six years ago. From that almost accidental introduction to the manufacture of icecream, Maitland Mackie's family farming business, based at Westertown, Rothienorman

in Aberdeenshire, now claims some 35 per cent of Scotland's premium ice-cream business and 6 per cent of the UK quality market. What is more the family has achieved it from a standing start, when half a dozen other icecream producers have been forced out of business and in the face of a massive advertising campaign by the market leader, American giant, Haagen-Dazs.

But the Mackies have never done things by halves. Ever since the first Maitland Mackie became a tenant farmer a few miles north of Aberdeen in 1905 the family has been watched with interest by their neighbours. They have always been pioneers and had bigger ideas - in farm size, in farm buildings and even in politics than most of their contemporaries.

At one time various members of the family were active in British politics. Maitland Mackie senior, father of the clan, was a keen Conservative. His son Maitland (now Sir Maitland and father of the main subject of this story) was a Liberal, while brother George (now Lord George Mackie) was elected to Parliament as a Liberal MP.

Yet another brother, the late John, who became Lord John Mackie, was elected a Labour MP and served at the Ministry of Agriculture as secretary of state.

Meanwhile, their sister Mary married an editor of the Communist Daily Worker. Family reunions must have been very interesting indeed.

But the common thread, consistent through three generations of Mackies, is farming and the present leader of the clan maintains the tradition.

Maitland ("boy" to his family) Mackie is now in his late 50s.

But he retains a youthful enthusiasm which drives him to seek new challenges beyond managing 2,300 acres of Aberdeenshire with its sizeable pig, poultry and dairy enterprises; running a computer software company designed to help other farmers improve their financial and farm management decision making; and serving as an elected officer holder of the Scottish NFU.

Mackie's icecream and the development of new flavours and markets for them is now his main challenge, but is being tackled with due regard to family and farming tradition. The new, expanded icecream manufacturing plant and laboratory are housed in converted farm buildings which once served as a feed mill, a byre and even a midden. Plaques are nailed on the walls identifying which was which and there are other name plaques in memory of those who originally worked in these buildings.

The £750,000 plant was opened 18 months ago by fellow Scot and chairman of Safeway, Sir Alistair Grant.

Sir Alistair was a good contact, for several flavours of Mackie's icecream can now be

found in many Safeway stores, as indeed they can in Tesco's, J Sainsbury, Asda and a number of other supermarket chains.

Mackie's icecream is found in Mackie's containers and tubs which are in the process of being redesigned to feature the Scottish scenery Maitland loves so much.

Mackies do not underestimate the difficulty of keeping their products on supermarket shelves. They have a sales director who is constantly bugging supermarket managers to keep the Mackie product on their lists.

And Maitland's sister Pat travels a thousand miles a week from her Oxford home to develop the English market for Mackie's icecream to match its dominant place in Scotland.

Also in the business is Maitland's son Mack. He trained as a lawyer, but the call of the farm got to him and he recently returned home to become financial director of the family operation. Maitland's daughter, Kirsty, trained as a hospital manager and worked for a few years in Edinburgh. But she too has returned to Westertown and is busy developing a luxury confectionary business to run alongside the ice-cream enterprise.

Such has been the success of the icecream venture - it accounts for £2m of the Mackie's £5m turnover - that the family has decided to develop it further. Moreover the family has taken a strategic decision to concentrate on the manufacture of luxury fine tasting foods, alongside improving the efficiency of the farm.

Accordingly Mackies are in the middle of a rationalisation programme. The milk rounds

have already been sold as have the laying hens.

The dairy herd, which has now grown to 1,000 cows, will be reduced to 350 cows and the unwanted milk quota will also be put on the market.

Should extra cream be required in the Mackie business it will be bought from processors who, like Maitland a few years ago, still have plenty to spare.

An off-lying, and therefore inconvenient, 350-acre farm is also being sold.

The total expected to be realised from the disposals is about £2m. Some of the money will be used to develop the icecream business, the rest will pay for future core business opportunities.

Mackie, who has spent years trying to persuade other farmer members of the Scottish NFU to improve their marketing, resigned in 1993 from his vice presidency. Although he is still an active union member he says he is frustrated at the lack of progress in the union's policies on self help and weaning members off government and European Union assistance.

The logo on the massive sign at the entrance to Mackie's family farm portrays a traditional country maid head wearing a cow. It reflects the sense of history which characterises much of Maitland Mackie's approach to business and life in his beloved Aberdeenshire.

But behind this deliberately old-fashioned facade is one of the most modern, switched on, farmers in Britain.

David Richardson

## MINDING YOUR OWN BUSINESS

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS



### Martyn Meade RACEHORSE OWNERSHIP

2 yo's ready to Run  
No Capital Outlay  
Ladyswood, Sherston, Wiltshire SN16 0JL  
Telephone: 01666 840880

### INTERNATIONAL FUND

NEEDS INVESTMENT BANKERS to deal with high net worth individuals, banks, insurance co, and funds. Excellent compensation and benefits. Must have 10 yrs experience. Fax resume New York 212-758-8137

### BUSINESSES FOR SALE

#### PLANT HIRE COMPANY

Family owned business based in Eastern England. Turnover in excess of £4m per annum. Excellent profits record. Replies from Principals only in writing to: Box 85966, Financial Times, One Southwark Bridge, London SE1 9SL

#### FOOD EQUIPMENT MANUFACTURING BUSINESS FOR SALE

Established mid 70's and located in the south of England, this private company has an excellent track record for the design and manufacture of high quality equipment and systems for the international FOOD and DRINKS industry. Turnover circa £2,000,000, profitable with an excellent asset base. The current owner is planning to retire and is seeking offers from interested purchasers. Please contact Strategic Management Facilities Ltd, at PO Box 629 Marlow, Bucks. SL7 3UU, England or fax 01628 475026 for further details.

#### MOTOR VEHICLE DEALERSHIP FOR SALE

Popular Japanese franchise, leasehold premises, South of England. Principals only please, write to: Box 83876, Financial Times, One Southwark Bridge, London SE1 9HL

### BUSINESS SERVICES

#### Save 50% On International Phone Calls

UK-USA Save 50% - 17p/min  
UK-Europe Save 50% - 17p/min  
UK-Long Term Save 40% - 17p/min  
UK-Canada Save 50% - 22p/min  
UK-Australia Save 50% - 29p/min  
Savings Compared to 16 UK Telecom  
CALL NOW FOR DETAILS!  
Tel 0181-490-5014  
Fax 0181-568-2830  
Dial Int. Telecom UK

YOUR ADDRESS IN NEW YORK from 31/03/95. Tel: 212 972-5517 Fax: 212 972-9557 E-mail: nyoffice@ft.com

#### SAVE ON INT'L PHONE CALLS!

USA only 21p per min  
Australia 45p per min  
Ask about our low rates to other countries!

FreePhone: 0800-96-4016  
Fax: 0800-96-4015  
Call USA: 1-206-216-6161  
Fax USA: 1-206-216-6262  
419 2nd Ave SE, Seattle, WA, 98102, USA

## BUSINESS SOFTWARE

To advertise in this section please telephone 071-873 3503 or write to Nadine Howarth at the Financial Times, One Southwark Bridge, London SE1 9HL or Fax 071 873 3065

### MIRAT & TIMER

Timing the Stock Market Right! If this is what you want, you should try our stock market timing software MIRAT & TIMER 60 days for FREE. Ask for your FREE CATALOGUE which shows how we have improved the performance of EVERY equity mutual fund on which it has been tested by 10% including Fidelity selected. Explains the theory (patented), not black box MIRAT & TIMER ESSE. This is the one you've been looking for, unconditionally guaranteed. Call or fax today: DARE Company, Denny Wighams, Tel: 011 29-852-0604 Fax: 011 29-852-3671

### MARKET ACCESS - DATA COLLECTION MADE SIMPLE

If you need data, fast, accurately, flexibly and reliably, look no further. Market Access, from Synergy Software, breaks new ground in data delivery and removes the anxiety of data maintenance. Extensive prices from most markets - all your figures. Synergy Software 0282 424282 or Fax 0282 428241

### COMPUTER AIDED SALES & MARKETING

BreakThrough, a comprehensive sales & marketing productivity system. Handles contacts, prospects, clients, dealers products & services. Produces form letters, mailshots, sales action lists, report generator included. Manage sources, campaigns, costing, response evaluation, notes, telephone scripts & much more! DEMO CD-ROM available. SODEL, FREEPOST, London N10 1BR Tel: 081-883 9188 Fax: 081-389 3492

### UNIVERSAL EXOTICS, OPTIONS, SWAP, YIELD, ZERO-CURVE ADD-INS

Additional spreadsheet functions for Financial Markets Professionals using Lotus 1-2-3 and Excel (Windows, OS/2, Mac). European and American style options and warrants on bonds, commodities, currencies, futures and shares. Prices range from £499 to £2,495. FSB - Financial Systems Software A Division of FBS Limited The Royal Mansions, 12th Floor Aldersbury Square London EC2V 7HR Tel: +44 (0) 171 - 620 6033 Fax: +44 (0) 171 620 4102

### SUBSCRIBE TO SIA!

THE NEW STOCKMARKET SERVICE FOR THE PRIVATE INVESTOR

An exciting new breakthrough from Synergy Software, SIA offers a complete 100 step solution to your data, information and analysis needs. Keeping you right up to date with the UK stockmarket. SIA contains powerful investment and portfolio management software with Synergy's renowned data delivery service. Available on subscription only, from just £10 per week. Call 0282 424282 NOW For your FREE SIA Brochure

### FREE SHARE PRICES AND MUCH MORE...

OPT-All Teletext automatically downloads share prices, even unlisted - use with any spreadsheet for automated analysis and graphics. NO on-line costs. Includes new Teletext 2000 service. Also keyword search, "DOE two-line" etc... Ask for free illustrated desktop OPTIMUM TECHNOLOGY LTD FREEPOST, LONDON NW4 4YP Tel: 0181-265 8220 24-HOUR FAX-ON-DEMAND SERVICE - Tel: 0181-265 8500

### FINALLY: REAL-TIME DATA YOU CAN AFFORD

STOCKS, CURRENCIES, BONDS, DERIVATIVES AND NEWS. Finally provides global real-time financial data direct to your PC at the lowest possible cost. Our Windows platform facilitates seamless interworking with other Windows applications. Available across Europe. Call Tenthon UK on 0171 405 4541

### SELECT 400 LIFE ADMINISTRATION SYSTEM

Robust Networked Package. Unit Linked/Universal Life. Complete Functionality. Multi-currency. Multi-Lingual Correspondence. High Staff Productivity. Integrated Life Questionnaire. A totally modern platform for L.T. efficiency. John Ormrod Central Software Tel: 0244 624957 Fax: 0244 625703. Southwark, EC2A 4EP Tel: 0753 244225 Fax: 0753 244546

### PHONEDAY DATABASE UPDATE PROGRAM

Converts telephone numbers in databases automatically into the new dialling code format. Converts all dot files in dBASEII, dBASE IV, FOXPRO, FOXBASE, CLIPPER and other code databases. Also converts PAPADOX & ACCESS files via the database import/export utility. The program automatically puts your numbers into a standard format and 'cleans' the database before use. £79.00 + VAT. Paymaster Systems Ltd 0191-650 4980

### CAMSORT PAYROLL SOFTWARE

IR355 Approved. Includes April 1995 changes. Easy to use, flexible and powerful. Payroll leaders for over 10 years. Handles all calculations including Director/CO II, SSP, SMP, Pensions. Allows personalised payroll layout design, re-calculation of individual payrolls, reprinting all previous period payrolls. INCLUDES FREE 12 MONTHS SUPPORT. FREE DEMO DISK. Price (PC version) £129 + VAT (Amstrad PCW version £50). Camsoft Software (UK) Ltd Tel: (01709) 514988 Fax: (01709) 512827

### BUSINESSES WANTED

#### STOCKBROKING COMPANY WANTED

Our client wishes to purchase a small/medium sized Stockbroking Company based in London. The Company must be registered with the Securities & Futures Authority Limited.

Please send details to: Chandler Backer & Co Chartered Accountants La Tour Cand House, Le Pote, St Peter Port, Guernsey GY1 1WL

# Fight for a game on the ropes

Continued from Page 1

audiences and the torrent of money, this tiny group of boxers remains highly vulnerable to the abolitionist forces now gathering strength.

Immediately after the McClellan/Benn fight, two professors of sports medicine launched an inquiry into the dangers of boxing. A panel will decide on whether the risk of injury and death is justified.

"We will be looking at whether it is acceptable to have a sport in which, under the rules, you can hit the head and render a man senseless," says Professor Greg McLatchie, a former amateur boxer and head of the National Sports Medicine Institute.

The departure point for this inquiry is hardly in doubt. One insider who seems very open-minded about the future of the sport is Panos Eliades, a London accountant specialising in insolvency.

Until four years ago, he had never been to a boxing match. A favour for a neighbour who had gone but left Eliades holding a contract that made him the money-man behind former world heavyweight champion Lennox Lewis.

Within months, the small and perfectly-mannered Eliades was sitting next to Don King at Las Vegas fights. "We are a bunch of heathens," says the accountant.

"It is a sad state of affairs but a fact that the tougher the fight, the more people want to

see it. They do not want to see a death, but the more the fighters get hit the better they like it."

"I do not approve or disapprove. I feel so lucky to have these experiences. I am from a professional background and I try to stay level-headed. At a meeting about a world championship fight, I just see Don King in front of me as another client who may not be telling the truth."

"A lot of boxing deals are never completed because the ego of the promoter gets in the way."

"They are unqualified megalomaniacs."

"I work on a handshake. People in the fight-game say I am mad. They say that in boxing you cannot rely on a contract witnessed by a judge. Let alone a handshake."

Despite his new-found enthusiasm, ask Eliades if he would encourage his own son to box and he looks shaken by the daftness of the question. Despite a moderate rise in entries for the Varsity boxing match, at participant-level the ring has stayed an entirely proletarian sport.

"Many boxers come from squalor, the blight, the poverty, the ghettos throughout the world," said Don King in London after the Benn fight. "They rise to stature, esteem and affluence, to make sure their families have a better quality of life."

It was a rare moment of seriousness for a man whose trade-

mark is what he noisily describes as "trickery".

Unsettling those around him is undoubtedly part of King's business technique, along with the flamboyant hair and the costumes.

In Zaire he turned up at the 1974 Muhammad Ali versus George Foreman fight in African robes.

"If King put on a show in Alaska, he'd turn out with a sleigh and dogs," said one observer at the Foreman comeback fight last year. Yet he delivers what the audience and the boxers want.

"Don's an easy target," counters Warren "He's black, he's loud, he's been to prison. But I'll bet he's made more black millionaires than anybody else in sport."

He also has a terrific grasp of the big picture, which the clowning often obscures.

Between 1987 and 1992, when King almost ran the big-time heavyweight division, there was a unified championship. Tyson was that man. In the last three years, the championship has fragmented into three different titles (four if one counts the peculiar World Boxing Organisation title).

It is not hard to see what the 1995 agenda might look like, especially with the overweight, middle-aged Foreman being fined for failing to defend his title.

Bigger purses, bigger crowds, bigger TV deals.

Assuming the law allows them to continue their rough

trade, are the boxers getting a better deal?

Barry McGuigan was world featherweight champion from 1985-86. Now the Ulsterman runs the Professional Boxers Association.

The television companies, satellite, cable and terrestrial, are fighting for boxing shows, says McGuigan. "It's tremendous for the fighters. More airtime and more money," he adds.

His goal is to see each fighter represented at the table when the TV deals are done. "I want to see more and more money for them. A fighter's career can be over in a split second," he says. Or at the end of a Parliamentary debate in the not-too-distant future? "Everybody is entitled to take a risk. Particularly if it's your best shot at earning a decent living," says Frank Bruno. "I wouldn't go fox-hunting but I don't want to stop anyone else doing it."

Libertarian arguments on behalf of boxing are hard to counter if you are male, middle-class and comfortably-off. Should a tough kid in the ghetto stay poor to save Hampstead's conscience? Yet anyone who has cheered and shouted at a big fight, stayed up to watch a bout live from Las Vegas, would find it hard not to agree with Panos Eliades that it brings out the heathen in urban man. Frank Bruno may have hit upon something with his analogy. If hunting goes, boxing cannot be far behind.



## PERSPECTIVES

## A new boy in the mother of parliaments

Fresh from reporting on Russian politics, John Kampfner finds himself puzzled by Westminster

I was not the only one, I reassured myself, as I confronted another dark corner. Two months into work at the Palace of Westminster, and I could find my way only through the squalid press gallery through the sombre committee corridor to the gossip den of the members' lobby and one or two bars.

I hardly expected a welcome pack, but a map would have helped. No luck: only security officers are trusted with such information.

The rules are not set out; they are passed on. When else is one permitted to walk through a door when it is shut, but not when it is open? Where else do Members of Parliament refer to each other by constituency, not by name?

Already late for a meeting with the Clerk of the House, I wandered up and down the narrow corridor behind the speaker's chair.

"Not to worry," said the Clerk, Donald Limon. "I'm not sure of my way around parts of the building and I've been here a while." Almost 40 years to be precise. The Clerk of the House and his department provide "the cement that keeps the place together". Every aspect of parliamentary procedure, however minute, comes under his guidance.

Limon has seen many an MP, and lobby correspondent, come and go. "You can tell the new intake of MPs; they are the bewildered ones. There's often a ferocity about new members, but most get used to the place and it's surprising how quickly they turn into fogies."

But there is no shortage of radicals - mainly from the recent intakes of 1987 and 1992 - who see the Palace of Westminster as an anachronism.

MPs have no computer database. They often have to share rooms, some in prefabricated blocks tucked away in corners of the gothic buildings, some grateful for broom cupboards of their own. A new building for MPs and administrative staff, across the road in Parliament Street will ease the problem, but many MPs have stubbornly refused to move out of their warrens.

They prefer life in the heart of the old building, with all its

scheming and gossiping in the many bars. There is no shortage of anachronisms - a smoking room, shooting gallery, and no crèche - but it is only the newcomers who complain.

So gingerly does the mother of all parliaments move that even the smallest changes are considered revolutionary. Last December, for example, MPs voted by a narrow majority to condense their week by taking off 10 Fridays a session, agreeing to time limits on many debates and moving many private members' bills to Wednesday mornings.

It is hard not to scoff. Anyone who has had experience of more modern - albeit less charismatic - West European

**I remain to be convinced that this hidebound institution serves democracy**

parliaments, and the ever-exciting Russian Supreme Soviet talking of civil war before being blown up by President Yeltsin, cannot help being dismayed by the petty and self-absorbed machinations of Westminster. Perhaps the most powerful force for change is MPs' increasing awareness of the low esteem in which they are held.

Peter Hain, who entered the house in 1991, says: "It takes a long time before you learn how to table questions or how you should best spend your time."

He remembers a debate on Post Office privatisation when he wanted to ask a question in the chamber. "I hadn't been here long and I wanted to make an impact. So I rehearsed it over and over again. I wanted to ask what would happen to the Queen's head in the new competitive environment."

When Hain checked his question with the Labour whips' office, "They told me it was forbidden to mention the sovereign in a political context. So

we haggled over a formula. I had to refer to 'the head of a certain person' in my question."

Next, I turned to Chris Weeds, for the past five years parliamentary education officer, who sees her task as making the arcane and archaic institution more accessible to the public.

"You get a lot of foreigners - Germans and Americans in particular - who often seem to know more about the workings of our parliament than do the British," she said as she led me through the Robing Room, where the Lords sat briefly after the war, and into the Royal Gallery where I remember President Yeltsin addressing the joint houses in November 1992. "Televising has helped, but people still point to the speaker's chair and ask is that where Lady Thatcher sits."

It is not just the tourists who have trouble. "There's a book originally written for children on the workings of an MP. I often get inquiries for it from people who work here," Weeds says.

As we snaked past the four exciting Russian Supreme Soviet groups in the division lobbies, I asked her about proposals to introduce electronic voting in the chamber, thereby replacing the existing system of filing past "tellers", and locking the doors and checking the lavatories to ensure no one has eluded them. "That wouldn't get much support," she says. "The 10pm vote is about the only time backbenchers can collar ministers with their concerns."

In any case, it would be a major logistical task as the chamber would have to be enlarged to seat all 651 members. When it was rebuilt after the second world war, Sir Winston Churchill insisted on keeping the existing dimensions to retain its old atmosphere, thus ensuring there are not enough places on the green benches to go round. Now the only way of ensuring a seat is to place a "prayer card" behind a particular seat just before the 2.30pm prayers that precede each session.

I left Weeds in the members' lobby, the spartan ante-room to the Commons chamber where MPs collect messages from the badged messengers, a dedicated team until recently comprised entirely of decommisioned servicemen. It is all very untechnological.

It is in the lobby that the MPs consort with lobby journalists under the watchful gaze of Attlee, Lloyd George, Churchill and other statesmen of past parliaments. Notebooks



are seldom opened in the lobby. If an MP is conspiring with a journalist, rivals are expected to keep their distance. The benches at the side are strictly not for sitting on.

The relationship between MP and scribe is a complex web of mutual favours. Gossip is exchanged, leaks are engineered and lunch invitations are enthusiastically agreed.

The tone is set from Downing Street, where journalists

are given "steers" by spokesmen whom they have come to know well but whom they never mention by name. Breaking the rules does not incur a formal reprimand, but runs the risk of exclusion from the magic circle. It is rarely done.

Some backbenchers are well tuned to the needs of the media. Some know exactly where to "place" stories with which newspapers and correspondents. They know all

about deadlines, front pages and inside pages. Nowhere has parliamentary life changed more than in the role of the press. Nowadays, MPs can be seen looking plaintively up at the press gallery in the hope of seeing anyone apart from representatives of Hansard, the official gazetteers, and the Press Association, the UK's main domestic news agency.

This development has distressed many MPs, especially the old-timers. They hark back to the 14-day rule, when until the late 1950s, television could refer to something only within the two weeks before its official announcement.

Even a few years ago, ministers would be admonished for "breaking a story" outside the chamber. Now, with the televising of parliament, the electronic media sets the agenda. MPs clamour to get on the Today programme on Radio Four, often telephoning from home to press for an interview. They know down to the minute which slots reach the highest audience.

During high-profile debates in the chamber, front benchers know where the camera will catch them and which soundbite is most likely to appeal.

"Don't bother with the members' lobby," said one MP. "If you want to get ministers, hang around the staircase of Number Four Millbank," where the BBC and ITN have their studios.

For visitors and journalists, Prime Minister's questions has it all. The 15-minute ritual every Tuesday and Thursday is a demonstration of the dramatic and gladiatorial skills - rather than the political acumen - of Messrs Major and Blair. But Russians I have taken round have been enthralled by the spontaneity of the event, contrasting it with the wooden speeches of their leaders.

Limon, the Clerk, says he is constantly entertaining foreign parliamentary delegations who enthuse about the ritual and tradition of Westminster. Yet none of the newly emerging democracies has sought to emulate the British model, preferring other less colourful, but less arcane, variants.

After a few months, I remain to be convinced that this hazardous, hidebound institution serves democracy as well as it should.

Of my many hunches to date, few were as edifying as the one with Bill Deedes. He has seen life from both sides. A lobby reporter in the 1930s with the Morning Post, he was a minister in successive Conservative governments of the 1950s and 1960s before a term as editor of The Daily Telegraph.

Lord Deedes fears that the low esteem in which parliament and politicians are now held threatens our democratic order. "We have a situation in which the critics are brighter than many of the actors. They can see through them, and tear

them to shreds every day. The balance has completely changed, and I don't see what inducement there is for a new-comer to seek election to parliament." One MP confided: "My son is ambitious to get into politics. I told him he should head for Strasbourg. There's not much for him here."

There is one figure in the chamber who is always worth watching. The speaker, Betty Boothroyd, is not usually given to nostalgia. During one session she was asked about plans to refurbish the Treasury and to sell off part to the private sector.

"From time to time many of us complain about this building. The fact that we don't have sufficient accommodation or that it isn't as modern as we would like," Boothroyd said. "But at the end I would defend this building with my last breath and I will be first at the barricades to safeguard it."

I was struck by her passion. Was I already turning into a fogey? Perish the thought.

After a few months, I remain to be convinced that this hazardous, hidebound institution serves democracy as well as it should.

Of my many hunches to date, few were as edifying as the one with Bill Deedes. He has seen life from both sides. A lobby reporter in the 1930s with the Morning Post, he was a minister in successive Conservative governments of the 1950s and 1960s before a term as editor of The Daily Telegraph.

Lord Deedes fears that the low esteem in which parliament and politicians are now held threatens our democratic order. "We have a situation in which the critics are brighter than many of the actors. They can see through them, and tear

them to shreds every day. The balance has completely changed, and I don't see what inducement there is for a new-comer to seek election to parliament." One MP confided: "My son is ambitious to get into politics. I told him he should head for Strasbourg. There's not much for him here."

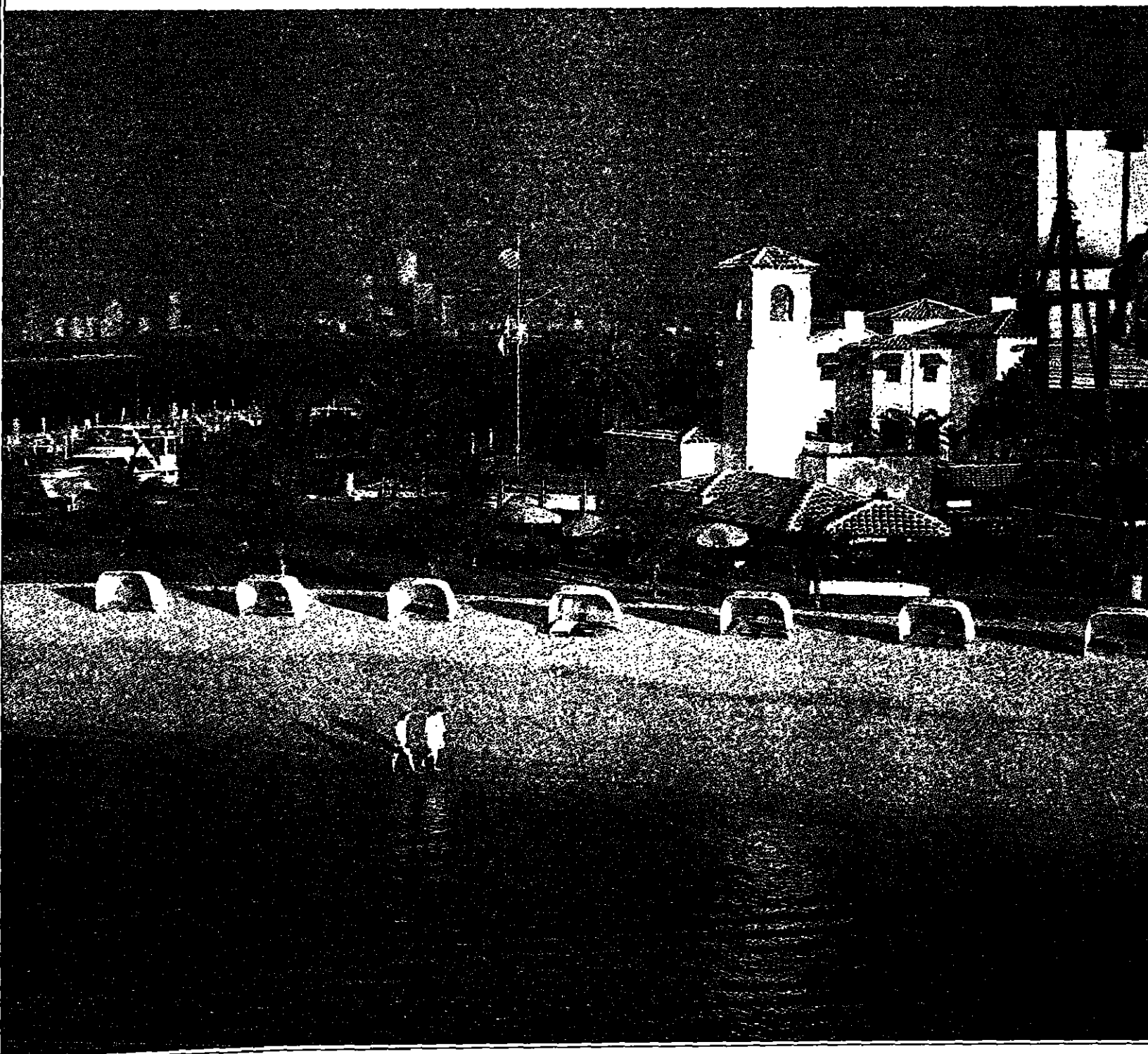
There is one figure in the chamber who is always worth watching. The speaker, Betty Boothroyd, is not usually given to nostalgia. During one session she was asked about plans to refurbish the Treasury and to sell off part to the private sector.

"From time to time many of us complain about this building. The fact that we don't have sufficient accommodation or that it isn't as modern as we would like," Boothroyd said. "But at the end I would defend this building with my last breath and I will be first at the barricades to safeguard it."

I was struck by her passion. Was I already turning into a fogey? Perish the thought.

I was struck by her passion. Was I already turning into a fogey? Perish the thought.

## FISHER ISLAND. UNLIKE ANY COMMUNITY IN THE WORLD.



In 1925, William K. Vanderbilt II could have chosen anywhere in the world to create his elegant seaside winter estate suitable for hosting captains of industry, presidents, kings and princes.

He chose Fisher Island in Florida, overlooking the Gulf Stream, Biscayne Bay and the skylines of Miami and Miami Beach.

Three-quarters of a century later, Fisher Island has remained absolutely faithful to the original design and purpose William Vanderbilt envisioned for it.

In the last decade, the developers of Fisher Island have re-created the princely lifestyle that flourished on this historic, museum-quality estate.

Today, it offers an array of world-class amenities, including seaside golf, tennis on three surfaces, an international spa, magnificent beaches, fine restaurants, two deepwater marinas, shops and the ultimate in privacy and security. More than four hundred of the world's most prominent families from thirty-nine countries now live in splendid residences in Vanderbilt Style.

Fisher Island, Florida 33109 (305) 535-6071 / (800) 624-3251, Fax (305) 535-6008.

Your inquiry is welcomed and appreciated.



Unlike any community  
in the world

Residences from \$800,000 to \$4,800,000. Guests of residents are welcome to stay in restored Vanderbilt Era Guest Cottages and Seaside Villas, from \$425 to \$1,000 per night.

This project is registered with the New Jersey Real Estate Commission, NJREC 904-711 to 716. Registration does not constitute an endorsement of the merits or value of the project. Obtain and read the New Jersey Public Offering statement before signing anything. This is not an offering to any person in any state where such an offering may not lawfully be made. Equal Housing Opportunity.



## PERSPECTIVES

# Fight against the post-Soviet mobsters

Matthew Kaminski on Lithuania's response to the murder of a journalist who exposed a dark underworld

Vitas Lingys wrote about the mob for a Lithuanian tabloid. His front page stories detailed arms smuggling, drug running and money laundering scams. He named names. On October 12 1993, he was gunned down at home.

The murder started a post-Soviet national saga. A government buffeted by economic trouble stood charged with ceding control to organised crime. In response, new laws were passed and a public manhunt soon snagged a suspect: the young, rich and infamous Boris Dekanidze, scion to a notorious Vilnius family.

An autumn trial lasted four weeks. Each day, the rejuvenated press recounted in great detail a vivid picture of a dark, criminal world. By the end of the four weeks, Boris Dekanidze was sentenced to death for ordering the murder. Three accomplices got long prison terms.

The alleged motive for the murder was reports in Respublika, the country's muckraking first independent daily, about the Vilnius Brigade, a criminal group which Lingys wrote was led by Boris Dekanidze.

At the trial, the prosecution claimed the Brigade smuggled central Asian drugs on Russian troop transports into the Kaliningrad enclave, as Lingys had reported. They reputedly traded "fict oil and guns, and laundered Russian and western money, taking 20 cents off each dollar.

The Brigade was also linked with M&S International, an Antwerp-based trading company, in allegedly skimming money from an arms sale contract to the Lithuanian police, a charge repeated by Vilnius's Interpol representative, Aurelius Racevicius.

Racevicius called the Brigade a typical local racket, with an international dimension as contacts for Russian and western criminal groups in the Baltics, whose good banks and transport links were used to smuggle an estimated \$3bn of oil and raw materials each year.

The phenomenon goes

beyond Lithuania. Claire Sterling's *Thieves' World*, an investigative look at post-Soviet organised crime, notes that the mafia is the only institution fully transnational across the 15 republics.

Yet Lithuania, seeking to return to Europe, sees itself as more civilised than its eastern neighbours. The Dekanidzes, the tabloids were quick to stress, were outsiders who moved to Vilnius from Tbilisi after the Soviet Union annexed the Baltic country in 1940.

Half Jewish and half Georgian, the family blames xenophobia for its troubles. They

**Many Lithuanians remain deeply suspicious of government. Corruption was and is rampant**

say a good businessman was unfairly targeted, by the state and the media.

Georgy Dekanidze, the father, owns a downtown Vilnius hotel - bought for a mere \$70,000 when Lithuania started to privatise, an incredibly low price that continues to rankle - and a sewing concern started in the 1930s. His son, Boris, traded in timber and computers.

The decrepit hotel houses Georgy Dekanidze's modern corner office. Grey leather couches line the walls. Two watercolours hang ("I don't know who painted them, but they are very expensive," said his personal assistant, Iona Grebinskis).

Unable to interview Georgy Dekanidze in person - he felt "unwell" - Ms Grebinskis insisted I watch a videotaped interview of Georgy in his office, preceded by an interview with Boris from jail, which appeared on state television the day before. Boris appeared, wan and thinner

than earlier, shackled in the green fatigues and hat worn by death row inmates. "For the prosecution, it was a political trial," he said. "It's a clear attack on the Jewish businessman".

Georgy Dekanidze sat in his office, a diamond pinky ring on one finger, large bags under his eyes. "The government creates scapegoats for all the dirt, chaos and unemployment," he charged. "It was an unfair trial, unfit for civilised, normal countries," he continued, but then softened, "I only want freedom for my son."

The case is due to go before the supreme court, which will decide whether the capital punishment should be carried out.

The government, although sensitive to charges of anti-Semitism, given Lithuania's tortured war history, says Boris Dekanidze has a criminal past and proven contacts with shadowy figures among the emigre community in the US, Europe and Israel.

Georgy Dekanidze, a trader during the Brezhnev years and a co-operative owner under Gorbachev and could not be linked to his son's activities.

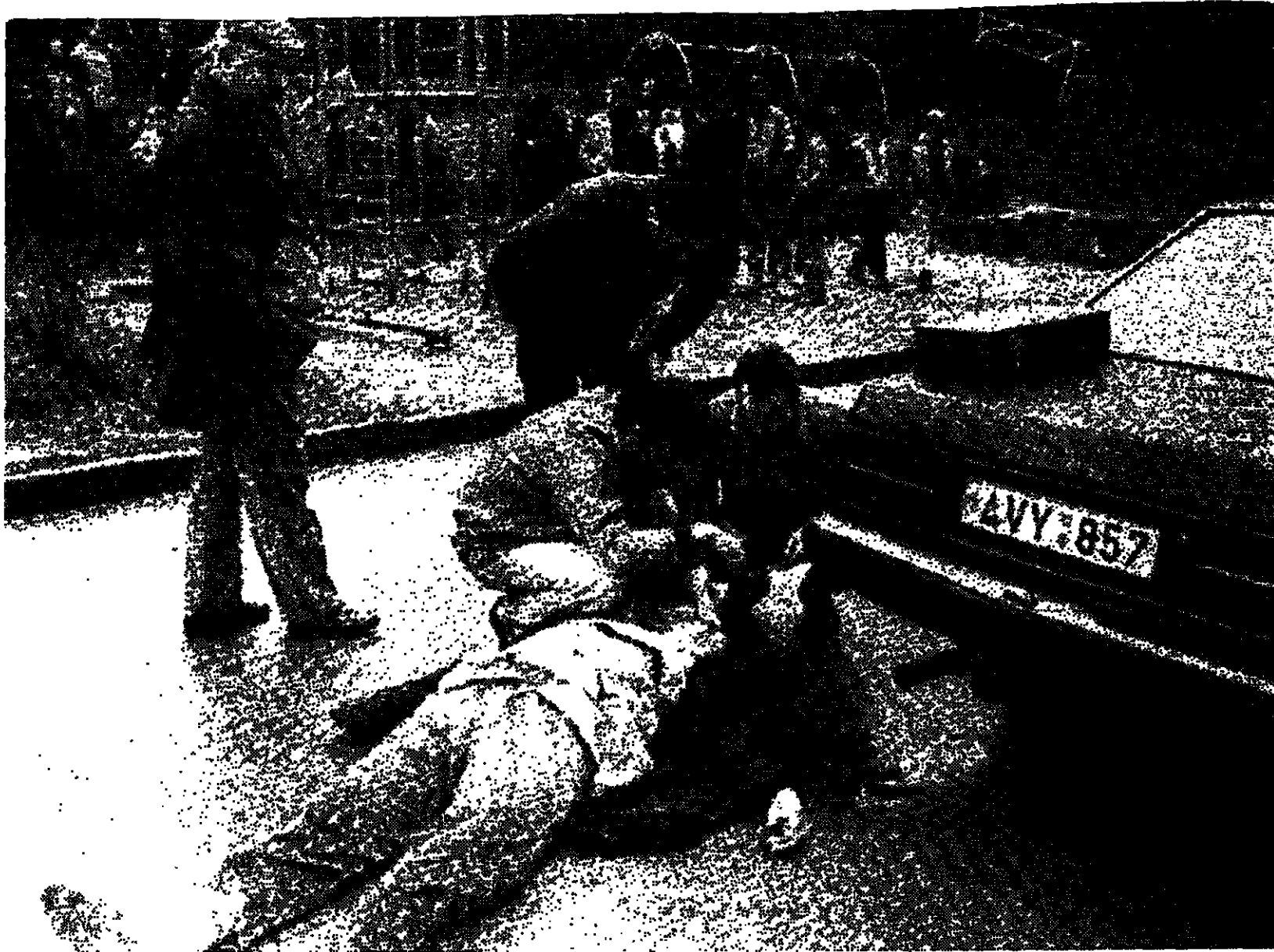
For many, the family's public ordeal was long overdue. It debunked a new emerging capitalist class scorned by a small nation with deep agricultural traditions.

The government applauds its own quick efforts to stem violent crime at the source, before murder becomes as common as in Russia.

But a recent terrorist threat against the world's largest nuclear power plant at Ignalina - German intelligence received a tip that the plant might be bombed if Boris Dekanidze was not released - casts doubt on who truly governs the country.

"We're trying very hard," said prime minister Adolfus Slezevicius, pointing to increased funding for the police and justice departments.

The government has introduced a law enabling the detention of suspects without charge - so far, 400 suspects have been detained. Romas Vaitekunas, the interior minis-



High price for exposing the truth: Vitas Lingys exposed drug smuggling, money laundering, and arms smuggling scams - and was murdered for it

ter, plans tougher regulations to crack down on money laundering through Lithuanian banks. The plans are not widely applauded, least of all by civil libertarians.

"The government is trying to reinforce its control over the state," said Czeslaw Okynczyk, a former deputy and prominent lawyer who now runs a radio station. "But politics can't go above the law."

Mr Okynczyk's concerns resonate among Lithuanians unhappy with the evolving civil society in their newly

independent country. Corruption was and is rampant, and the Dekanidze's plight brought some sympathy.

Under microscopic scrutiny at the trial, the unfledged legal system could not withstand scrutiny. The state was first faulted for overzealousness and shoddy evidence. Then parliament passed a law to allow Boris Dekanidze to appeal against his sentence. The apparent leniency has reinforced perceptions about politicians' ties to the mob.

It has not gone unnoticed that Lithuania's first big mafia hit targeted a journalist who exposed corruption. This pattern was repeated late last year in Russia, where a Segodnya reporter investigating the military was murdered, and most recently when Vladislav Lis-tyer, Russia's best-known television journalist, was killed after heading an attempt to restructure the state-run network.

Rita Dapkute, a prominent local businesswoman who runs Vilnius's most popular night spot, gives money to a racketeering group each month, but saves her tre for the state. "I have no problems," she said. "They take less than the government, and they work for what they take. They protect my restaurants from other mafias. The biggest mafia is the government."

Her gripes reflect a persistent discontent among businessmen, hit by high taxes, import restrictions or corrupt bureaucrats. Market distortions created by sluggish liberalisation tempt both criminals and government officials.

Mr Slezevicius admits some ministers in his cabinet seem to want to "protect something". "Organised crime is trying to integrate into the government, and we're trying to prevent this," he said.

But despite such troubles, a healthy national debate unimaginable a couple years ago is going on. "It's going forward," said Okynczyk, "but not as fast as people want it to. People don't understand it takes a long time for civilised people to create a civilised society".



"Take me to the Hilton."

It was going to be a bumpy ride.

But after the rough, the smooth.

Armed with the American Express

Card, I'd already called the

Hilton and booked ahead, and I

was looking forward to a

relaxing few days in their capable

hands. American

Express and

Hilton had a lot in common;

nothing was ever too much trouble.

I vaguely wondered what

the doorman's reaction would be

if I arrived by elephant; but

he probably wouldn't bat an eyelid.

You could always

be yourself at the Hilton.



## HILTON

Where you can be  
yourself again.

HILTON INTERNATIONAL OPERATES OVER 160 HOTELS AROUND THE WORLD. FOR RESERVATIONS CONTACT YOUR TRAVEL AGENT, ANY HILTON HOTEL OR HILTON RESERVATIONS WORLDWIDE.

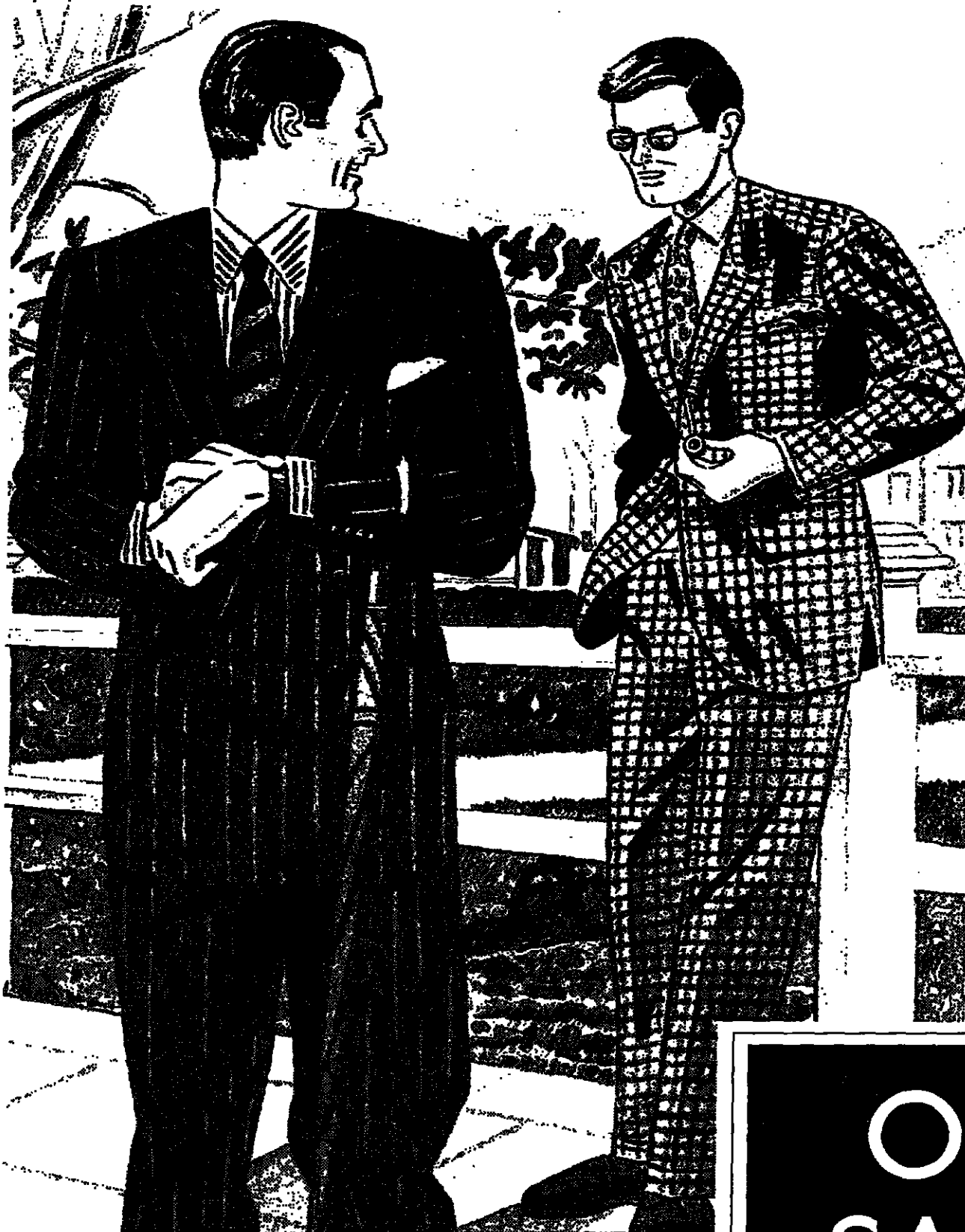
24 March 1995



## FASHION

## Oh no to Savile Row

Jonathan Young finds country tailors offer good quality at leaner prices



Savile Row is the name everybody knows but bespoke tailors are also to be found out of town. These are just some of Jonathan Young's discoveries:  
 Jeremy Shaw, Carter's Countrywear, 7 The Market Place, Helmsley, North Yorks, YO6 5BH. Tel: 0439-770888.  
 Richard Dodd, Hall & Son, First Floor, 83 Warwick St, Leamington Spa, CV32 4BA. Tel: 0292-423711.  
 Ron Phillips, Windors of Exeter, 51 Fore St, Cullompton, Devon, EX15 1JS. Tel: 01894-362388.  
 Charles Gale, 6 Northern Galleries, Fort Farnham, Newgate Lane, Farnham, Hants, PO14 1AH. Tel: 0329-237888.  
 Drawing by Graham Marsh.

There comes a point in every man's life when his thoughts turn to the matter of a proper bespoke Savile Row suit. But at around £1,500, the West End's finest pinstripes are likely to remain elusive. Of course there are what could be called "fashion suits" by fancy designer names, but these are not much cheaper and can look pretty silly if your club is more Boodle than Grosvenor.

So most of us settle for something in grey, off-the-peg from one of the high street men's outfitters. Like all compromises, it is seldom happy, as a quick inspection of any commuter carriage will confirm. Why not think of spending a little more and have a suit built by a provincial tailor? It immediately conveys a first-class impression (even if you travel second).

Jeremy Shaw runs Carter's Countrywear, in Helmsley, Yorkshire. For the past 16 years he has worked with his mother in the family-run business, and makes bespoke City suits for £395 a time. His real speciality, though, is country clothes. A tweed suit built in 28oz or 28oz cloth costs around £400 or he will make it up for just £300 if his customer supplies the material (well worth remembering for those visiting Scottish and Irish woolen mills). Women's tweed suits, with skirts or breeks, cost the same.

Helmsley is prime game country and Shaw is in great demand for his shooting suits, for which he stocks a vast range of cloths, minimising the chance of the same checks meeting at the grouse-butts. Particularly popular are his

made-to-measure shooting stockings at £29.95, which adorn the calves of Sir Rocco Forte and Lord Lichfield.

Shaw's old-fashioned style and quality will be recognised by all who saw Robert Hardy, whom he helped kit out in *All Creatures Great And Small*. His pattern book includes some classical designs from the 1930s, with a longer, slightly waisted jacket, trousers with brace fittings, four-button cuffs and a choice of silk linings. He will travel anywhere to fit a client.

In tailoring, as in literature, J.B. Priestley was an imposing individual: "a bulky man, with a very difficult figure" according to Mr Richard Dodd of Hall and Son in Leamington Spa, who remembers Mr Hall fitting J.B. Priestley himself. The firm has served the town's professional classes since 1875 and today thousands of customers' paper patterns are held in stock.

Hall retired five years ago, passing the baton to Dodd. He likes to have two or three fittings, which are always a pleasure, according to one customer, since "Mr Dodd is a brilliant fine buff". Dodd does all the cutting and measuring and charges between £550 and £650 for a City or tweed suit, depending on the customer's requirements and size. Sometimes even his imperturbable aura is impressed by the challenge some clients present: "I heard this steady clumping up the stairs and this figure bent low to get through the door. He was 6ft 11in, 29 stone and with a 57in chest - it all took a fair acreage of cloth."

Since even more modestly sized men can grow with middle age, he "always leaves

enough inlays in the suit to accommodate a customer putting on two stone". Like most provincial tailors, he does not advertise, but his name and reputation are passed on by word of mouth by happy punters. One customer I know of in Suffolk has been fitted out by Dodd for 40 years and his sons and nephews have followed in his footsteps.

Mr Ron Phillips, on the other hand, is most sought-after by the close-knit circle of hunting folk, those most sartorially demanding of sportsmen. His company, Windors of Exeter,

One of the great advantages of having a suit built, apart from obtaining a good fit, is that you can have exactly what you want. A Dorset farming friend had a seven-piece tweed suit built by Charles Gale - jacket, trousers, waistcoat, two pairs of breeks, shooting coat and cap. (He could have had an eight-piece, as Charles Gale also does matching shooting-stockings garters.) Based in Farnham, Hampshire, Gale has been in the trade for 20 years and tours southern England - as well as, increasingly, Belgium, Holland and France - measuring clients. "Clients will send me an air ticket to travel over to see them and still they make a saving on a Savile Row suit," he explains.

A City or tweed two-piece costs about £425, and he will make a tweed shooting coat, with a waterproof, breathable liner, for £395, or a tweed greatcoat for £400. Delivery time is between five and seven weeks, although it is best not to place orders too near August 12 and the start of the grouse-shooting season, when things are hectic. Since his business revolves around visiting customers, and he does not have a shop, an appointment is vital.

Having a good suit made by any of the above would be a pleasure and improve the simplest of profiles. And once the rapport is established, there is an added bonus. The horrors of shopping - the sizes that stop at a 34in waist, the commission-hungry assistants, the pushing and shoving in the January sales - are replaced by that most soothing of incantations: "I'm just off to see my tailor."

Jonathan Young is editor of *The Field*.

It helps to be honest about the client's shape, even ladies' bottoms

is actually based in Cullompton, a small Devon village in the heart of hunting country. He has established a reputation with the local Masters of Foxhounds and hunt staff, which has spread over the Atlantic. This month he is flying to Chicago to fit out some bound followers there.

A good hunt coat must be well-cut, fit well and be long-lasting. A city or tweed suit will require two to three fittings, take about three months and cost about £520.

Phillips reckons his popularity is partly based on his ability to be honest about the client's shape - "even ladies' bottoms", he says with a very straight face - and so ensure that the cut really does flatter.

## A topping way to add sophistication

Lucia van der Post hails the hat's return to favour

Why be just yourself, asked the novelist Margaret Atwood, discarding on the subject of hats, when by the simple device of wearing a hat you can at least appear to be somebody quite different. Or, as another fine writer, Marguerite Duras, put it in her novel, *The Lover*: "I look at myself in the shopkeeper's glass and see that there, beneath the man's hat, the thin awkward shape, the inadequacy of childhood, has turned into something else."

That, of course, is the magic of hats. They, more than any other garment, have the power to transform, to turn what could be an everyday, pedestrian sort of occasion into something special.

The current fashions are a gift for hat lovers. On the catwalks and in the fashion pages hats are everywhere, giving allure and sophistication where before lurked nothing but grunge and Doc Martens.

Those who feel out of touch with the world of hats, who

feel the long years in the millinery wilderness have rendered them a little unsure, could ease themselves into this new frame of mind with the newly launched mail order catalogue from that most classical of hat-makers, Herbert Johnson.

Herbert Johnson, students of

**Hats are everywhere, giving allure where before lurked only grunge**

the genre will know, has been hatter and milliner to such diverse celebrities as Inspector Clouseau, professor Henry Higgins, Mr Hercule Poirot and Indiana Jones, as well as Roger Rabbit's personal private detective. With a pedigree like that, who could resist?

For years those who longed for a Herbert Johnson hat had

to make their way to London's New Bond Street (or, during a short *inter-regnum*, to Brook Street). But now the new mail order brochure is out, wherever you are you can order a classic trilby or borsalino, a perfect panama, a leather flying helmet, a top hat or a bowler.

A few years ago Herbert Johnson also turned its attention to headwear for women and they too will be able to buy by mail - anything from a series of classic panamas (roll-back, wide brim, small brim) to a selection of couture hats designed with weddings, Ascot, Goodwood and the like in mind.

Now that it is almost *de rigueur* for handbags and shoes to match perfectly, Queen Mother style, Herbert Johnson has also started a made-to-order shoe and handbag service. Three styles of shoe and two of handbags are on offer; all can be made in the customer's own materials, or Herbert Johnson will provide fabric, leather or suede. Shoes start at £170, handbags at £150.

The mail order brochure and the service are both available from the shop at 30 New Bond Street, London W1Y 9 HD.

There can hardly be a more comfortable garment than the kimono. But lovely though the fabrics and colours traditionally used are, they are not to everybody's taste.

Juliet Ferridge makes kimonos to order in a range of plain, striped or patterned silks. The standard design, which is calf-length, has wide sleeves and a tie-belt. Prices are £95 to £120.

However, as all items are made to order, different sleeve and garment lengths can easily be accommodated. Photographed left is one of the special orders: featuring longer sleeves, black border and a traditional stiffened "Obi", this costs extra.

Ferridge's brochure is available free and has excellent descriptions, fabric swatches and price lists. Write to: Silken Robes, 2A Bangalore Street, London SW15 1QE. Tel: 0181-788 1223.



Eastern promise: specially made kimono from Juliet Ferridge

ON SALE NOW



FABULOUS SPRING FASHION

The season's essentials and the glory of couture

HASHING

The most secret sport in the world

EASTER FEASTS

Nigel Slater's holiday recipes

PLUS

The definitive guide to the season

HARPERS & QUEEN  
THE REST ARE MERELY DERIVATIVES



## FOOD AND DRINK

# The Pic of the warm south

Giles MacDonogh investigates the wines of the Languedoc region

We know quite a lot about the history of wine in Montpellier, not least from the writings of the philosopher John Locke, who spent three years in the city while the famous medical faculty endeavoured to cure him of consumption.

Locke painted a picture of rather sloppy wine making. The best wines of the period would have come from the *folies* - the country estates of the financial nobility on the outskirts of the city. In *ancien régime* France the possession of a *cru* - vineyard - was a proof of status. The quality of the wine you produced was a reflection of your family's importance.

Not many of these *folies* have survived the expansion of the city. One which has is the ravishing Château de Flaugergues near the airport, where the comte Henri de Colbert makes very good wines.

The Château de Calage is not a *folie*, but Pierre Clavel makes a chunky red wine on soil similar to that of Château de Flaugergues. At the Domaine de Lacoste in Saint Christol near Lunel, Luc Moynier makes wines from a tannic Mourvèdre grape of haunting fruitiness.

All three wines are covered by the blanket appellation Coteaux de Languedoc, which sprawls from Montpellier to Narbonne, taking in the area of La Clape. The sub-division of the Coteaux de Languedoc which is most frequently invoked these days, however, is the Pic Saint Loup, about 15km north of the city of Montpellier, around the dramatic Pic which lends its name to the wine.

Most of the wines of the south of France already possessed a reputation in antiquity. They were first planted by either the Greeks or the Romans and tended in their turn by medieval monks or *ancien régime* aristocrats. Not so the Pic Saint Loup. Until recently the area was better known as grazing land and what vines the shepherds planted went to make wines consumed by the shepherds themselves.

In the past few years all this has changed. The Pic Saint Loup has become the most upstartly mobile *cru* in the south. The first man to bottle his wines was Jacques Boutin, whose Domaine de La Roque was noticed by American talent-spotter Kermit Lynch.

Not long after Boutin, the wines of Jean Orliac at the Domaine de l'Hortus also sent shudders of joy through the American wine press. Since then more young growers have been crawling out of fissures in the rock of Saint Loup, generally led by their star oenologist, Marc Ancelin.

## Pic Saint Loup has benefited from fine vintages recently

des Costes, Château de Caze-neuve (especially the cuvée where the winemaker has been most sparing in his use of oak) and the Château de Lancyre.

Unlike some regions of France, the Pic Saint Loup has benefited from some fine vintages recently and the wines were particularly successful in 1993 and 1994.

But no article on the Coteaux de Languedoc would be complete without mentioning Olivier Jullien, whose estate, Mas Jullien, lies about 40km west of Montpellier. On just 15 hectares Jullien produces an astonishing number of wines, some innovative, others eccentric but always (it seems) delicious. My favourite of the 1992 vintages is Les Dépiéres. This is a new style of wine for the Languedoc: a pleasure unknown to the Romans or John Locke.

Information: for the Château de Flaugergues, £5.99 per bottle, contact Majestic wine warehouses, Château de Calage is available from the Wine Society (members' orders 0438-741177) at £58.68 per case for the 1993. The Wine Society also stocks the fine 1992 Pic Saint Loup from the co-operative at St Matthieu de Treviers for £25; Domaine de l'Hortus is sold by Adnams at £5.70 for the '92 (0602-734222). La Vigneronne has a 1992 red Les Dépiéres by Mas Jullien at £8.95 (071-589 6113).

An auction of the wines of Pic Saint Loup is held annually in Saint Jean de Cuculles. For details contact Chantal Vitelli at the Club des Amis du Vin (010 33 67 85 94 30).

It was 8.45pm and we had just finished our first course when the restaurant's front door opened. In came a well dressed man in his late thirties, who went directly to talk to the barman. He looked nervously round the room and then, having paced the bar and chatted to the waiters, began to walk around the tables.

For the next 30 minutes he got in the way, taking bread to tables that had already been offered it and fussing over nothing. The staff were doing a good job without him. Only after an hour did he begin to be useful.

I couldn't take my eyes off him because I realised that this man was the owner, the restaurateur, and I was watching him do what I had done myself for nine years.

The restaurateur's profession continues to excite glamour, but exactly why I'm not sure. It can't be the long hours on your feet or the financial reward which usually materialises only when you sell, if then. Nor is it the attraction of a restaurateur's main non-working activity. While this is perceived as eating in restaurants and visiting vineyards, it is, somewhat less glamorously, catching up on sleep.

Part of the attraction lies in appreciating and enjoying what a successful restaurateur puts together: good food, lovely wine, attentive service, striking surroundings and an ambience that exudes more than the sum of its parts. Yet where does the restaurateur physically fit into this picture?

When the restaurant is busy there are only two places for him to be: either in the hot, steamy kitchen or on the restaurant floor. But if he restricts himself to these areas he will be resented by his staff for an apparent lack of trust and will not be aware of the fluctuating trends in the market, among his competitors and customers.

For guidance on just what constitutes the art of the restaurateur, a profession that is being stretched from one practised for five and a half days (Monday-Friday and Saturday night) each week to one undertaken for seven days, I contacted several.

From Jeremy King, proprietor of London's Le Caprice and The Ivy and undoubtedly the restaurateurs' restaurateur, I received the following firm but polite fax: "Oh Nick! Where do you start? The art of the restaurateur is more of a book than an article. Please forgive me if I duck this one."

Enlightenment came, however, from Simone Green, owner of Odette's, London NW1, and Danny Meyer of the Union Square Cafe and Gramercy Tavern in New York. Green has been a restaurateur for 13 years and looks after 600 customers in a busy week. Meyer began in 1985 and together his two restaurants serve 6,000 customers each week.

Green said a restaurateur must possess a passion for food and/or wine to be in a position to surprise the customers and keep them coming back. Without a clear vision of what you personally want to offer, only the amorphous world of fast food beckons. The trick, she added, was to know how to cut one's cloth according to current conditions; she cited the growing number of restaurants participating in the FT's 'Lunch for a Fiver' as an example of this.

All this must be accompanied by a polite firmness. Management resolve must be obvious in a capacity for



Peace-keeping force: a former career in arbitration proved invaluable in helping Simone Green, owner of Odette's, to keep all her staff happy

# Eat, think and be merry

A good restaurateur does more than tempt the tastebuds. Nicholas Lander defines the art

hard work, an obsession with detail, a ruthlessness at maintaining a pleasant working equilibrium between the kitchen and waiting staff (Green cites a former career in arbitration as an excellent qualification) and the continual presence of somebody who can add up.

This was underlined by Stephen Bull. His response to my compliments on his new restaurant, Fulham Road, was: "Yes, it's been very well received. Now it's time to make a profit."

No restaurateur retains good staff unless he sympathises with their problems and the seemingly obscure reasons why they cannot work a particular shift. But the key is good relations with the customers. Now there is such a plethora of restaurants, Green stressed, you have to tolerate and respect your customers and be aware of their changing demands.

Another restaurateur described the following scene, which still haunted her three days after it had taken place.

Her receptionist always asks whether a customer wants a smoking or non-smoking table. One group of four had booked non-smoking but changed their mind on arrival and could only be accommodated between the two sections. The smoke drifted across to a table of two who had requested non-smoking and who were naturally upset. They were swiftly moved to a different table on another floor and went home with a letter of apology but without a bill for their food or wine. Despite such generosity they may never return.

Such occurrences, though rare, are expensive and tend to paint an unflattering picture of the restaurateur and the industry.

When I asked Danny Meyer which activity took up most of his time as a restaurateur he replied unhesitatingly: "Doing an exceptional job of picking, hiring, training and motivating the staff. The hours we spend on food and wine feel like going out to play. When the staff is genuinely happy, all customer-related problems seem to take care of themselves."

To achieve this in one restaurant is difficult, but how do you do it in two? "Delegation is critical," said Meyer. "Since I'm always absent from one of my restaurants, my primary focus is to communicate our pre-guest mission to my managers and staff, make sure they buy into my vision and then hold my managers to the highest possible standards."

Easier explained than done, according to Sally Clarke, another admirable London restaurateur, who cited Jean-Claude Vrinat of Taillevent, Paris, and Alice Waters in San Francisco as her "restaurant heroes". "The art of the restaurateur demands two qualities," she said. "The first is an innate

feeling of generosity towards your customers, without which there's no point being in the business. The second is the sensitivity to gauge immediately a customer walks in just how they want to be treated. Is it a business meeting to be left alone, even to the extent of pouring their own wine, or do they want to be fussed over and engaged in conversation? I admire the few who can do this and ensure their staff do it too."

The art of the restaurateur does bring a great deal of pleasure and excitement, Meyer said. "It's the equivalent of hitting a home run in baseball. The most exciting moment for a restaurateur is when you've successfully exceeded a customer's expectations from the time they reserved their table, to their welcome, to their appreciation of the decor, their enjoyment of your service, food and wine. Positive customer feedback and enjoyment is what keeps us going."

## Cookery / Philippa Davenport

# If you can't stand the heat...

four years training as a home economist. I lacked this qualification.

At my first interview, on a women's magazine, the editor told me with grave disappointment that she had hoped to be able to announce to her readers that her cookery editor was *cordon bleu* trained. Disappointment turned to alarm when she learned I had not even been taught domestic science at school. She perked up a little when she dredged through my past and discovered that Elizabeth David had dedicated her first book to one of my aunts, and babysat me when I was a child.

A more tenuous link with culinary greatness is hard to imagine. But those were the days when magazines boasted huge test kitchens and battalions of staff. Two qualified and experienced home economists, a secretary and a washer-up had already been hired. With such sound back-up guaranteed, the editor decided to risk it and took me on.

At last, in middle age, I may be able to add a little restaurant kitchen experience to my curriculum vitae. In truth I have done only one night's work so far and it had nothing to do with cooking.

I worked front of house waiting for some local restaurant friends who found themselves suddenly almost staffless. Like that magazine editor, they were so desperate

that they were willing to risk taking me on. Just one evening taught me a lot. It made me appreciate the delicate balancing act required if service is to prove efficient and friendly, yet unobtrusive, and it made me aware of the importance of courtesy on the part of the customer too. Turning up at the time booked and in the num-

bers advised are basics, but not always observed. And I warned to diners thoughtful enough to pull back from the table a little when food is about to be placed before them.

The most difficult thing, I found, was trying to remember who had ordered what. I started by scribbling *aide mémoire* notes in a corner of my pad, but had to abandon this as it confused the kitchen.

Besides, I began to get nervous that the punters might read and take offence at my thumbnail sketches of them.

I was intrigued by the way ditherers could be gently steered away from dishes that

were running short towards those the kitchen was keen to push. Soup, I had been told, was a hot favourite with the 60-plus brigade, and so it proved. The young, on the other hand, seem to be guided in their choice by Pavlovian responses to certain key ingredients. That night, scallops, aubergines and anything pre-fixed with the word roast seemed to trigger an unhesitating order. And though things may be different in London, out here in the wilds of Wiltshire coriander is the herb of the moment - a winner with young and old alike.

While the carrots are cooking, grate the creamed coconut, pour on 1pt boiling water and leave to infuse for 10 minutes. Then strain off the liquid, pressing the coconut in a sieve

to extract all the flavoursome juices.

Using a food processor, or the finest blade of a mouli-legumes, reduce the contents of the soup pan to a smooth purée.

Pour most of the milk into the soup pan. Mix the final few spoonfuls of milk with the cornflour in a cup to make a smooth paste. Stir the cornflour paste into the milk. Add five to six tablespoons chopped green coriander and some salt. Bring to the boil, stirring, and boil for one minute.

Stir in the carrot purée, coconut milk and the juice of both lemons. Reheat gently but thoroughly and check seasoning before serving.



## CARROT, COCONUT AND CORIANDER SOUP

Like most soups this freezes well, so make a good quantity - enough to serve eight or more people.

Take: 3lb maincrop carrots; 6oz creamed coconut; a generous bunch of green coriander; two lemons; two garlic cloves; one bay leaf; one heaped tablespoon coriander seeds; 2½oz butter, duck fat or olive oil; 1oz cornflour; 1½pt chicken stock; 1pt milk; black pepper; sea salt.

Scrape and grate the carrots. Warm the fat or oil in a heavy-based pan. Stir in the carrots, cover and sweat for 10 minutes. Toast the coriander seeds in a dry frying pan until warm and sweetly scented, and grind them in a peppermill or pound with mortar and pestle. Crush the garlic with salt.

Stir the garlic, coriander seeds and bay leaf into the car-

# THE DREAM BECOMES REALITY

I have spent a lifetime in the whisky industry and always, my dream was to create a new single malt.

This dream is now being realised at Lochranza, where we are opening the first legal distillery on the Isle of Arran for over 150 years. The first Arran malt will be coming off the still in the spring of this year.

What will the Arran single malt be like? It has been said that when whisky was last made on the island, it was claimed to be the best in Scotland.

With the quality of Arran's air and water, I am confident that we will be making one of Scotland's great malts and I invite you to reserve your stock now, by becoming a Founder Bondholder.

Founder Bondholders will have their own exclusive reserve which is obtainable at distillery prices - no retailers or other distributors involved. For the Bond price of \$450, excluding duty, they will receive five 12-bottle cases of blended whisky in 1996 and five cases of Arran single malt in the year 2001 - the perfect way to start the new century!

You don't have to take your cases all at once, so you can spread the pleasure over years if you like by leaving your malt to mature even longer in cask. You can also spread the pleasure by sharing the price of a Bond with friends.



**HAROLD CURRIE**  
Chairman of Isle of Arran Distillers Ltd.  
Former Managing Director of Glenlivet and  
former member of the Scotch Whisky Association

As a Founder Bondholder, you will also have the privilege of continuing to buy whisky at distillery prices plus regular offers of very special single malts as we seek them out.

However, we plan to offer Founders Bonds only until the distillery is formally in production. So don't delay, send now for a brochure and be in at the birth of our new single malt.

## ISLE OF ARRAN SINGLE MALT THE DREAM DREAM

For a brochure, telephone 01290 583255, fax 01290 350177, or post the coupon to Harold Currie, Isle of Arran Distillers Ltd, 1, The Cross, Mauchline, Ayrshire KA5 5DA

Dear Mr Currie  
Please send me details on how I can become an Isle of Arran single malt Founder Bondholder.

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_

## FARR VINTNERS

No-one sells more fine wine in the U.K.

We make it easy and profitable to sell your wine. Cash or broking terms offered.

Contact Jonathan Stephens  
Tel. 0171 828 1960  
Fax. 0171 828 3500  
19, Sussex St. London SW1 V 4QR

## CLARETS AND VINTAGE PORTS WANTED

We will pay auction transfer prices. Payment immediate. Please telephone: Patrick Wilkinson 071-267 1945 or Fax 071 284 2785

WILKINSON VINTNERS LIMITED  
Fine Wine Merchants  
Constitution Rd London NW8 2LN

## Yquem, Claret and Vintage Port Wanted. Cash Paid

Tel: 0473 62 60 72  
Fax: 0473 62 60 04

# Oddbins

JUST ARRIVED...

## 1993 White Burgundy

**DANIEL BARRAUD**  
One of the up and coming stars of the *Médoc*... Robert Parker

St-Véran En Crêpe 7.99 £/100  
Pouilly-Fuissé La Roche 10.99 £/100  
Pouilly-Fuissé Vieilles Vignes 12.99 £/100

## AMIOT-BONFILS

...the Domaine Amiot-Bonfils has catapulted to the top echelon of quality Robert Parker

Chassagne-Montrachet for Cru les Vergers 20.99  
Chassagne-Montrachet for Cru les Caillottes 22.99

OTHER TOP DOMAINS... Fontaine-Gagnard, Bernard Morey, Roger Lassart

COMING SOON... Louis Carillon, Ramonet, Michel Nielus, Etienne Sautet and J. Pascal

LIMITED AVAILABILITY

6 Oddbins' Fine Wine shops are probably the best in the U.K.

LONDON  
Farrington Street  
0171-329 6989

LONDON  
Notting Hill Gate  
0171-243 8668

EDINBURGH  
Queensferry Street  
0131-325 5707

GLASGOW  
Niddell Street  
0141-221 3294

Coming Soon  
OXFORD & CAMBRIDGE

THE WINE

Oddbins

STOVES



## HOW TO SPEND IT

# In praise of home comforts and joy

Lucia van der Post revels in a show devoted to the architect's skill of mixing contemporary furniture and interior design – regardless of space

Anybody who has determinedly modern tastes in furniture will know that finding examples to purchase in the UK is a fairly soul-destroying activity requiring immense enthusiasm, endless energy and good shoe-leather.

A few valiant stores – Aram Designs, Atrium, Aero, The Conran Shop, to some extent Heal's in London and even some valiant traders in the provinces – strive to provide, but by and large it is a thankless task.

The British as a whole are still addicted to trawling junk shops, to "shabby" chic, to making do and mending. Anybody trying to sell contemporary design must possess real pioneering zeal.

Zeev Aram, who opened Aram Designs in London's King's Road in the 1960s, has long been committed to raising the profile of good modern design.

Last week he opened a new exhibition at his Hampstead shop in north London which aims to explore the links between architecture and furniture. That probably sounds a little cerebral to those simply looking for a decent chair to sit on, but its aim and approach is strictly practical.

Aram believes there is too much mystique surrounding the business of architecture and modern furniture. Architects at present are fairly desperate for work. Most of them are delighted to take on small projects and a good architect can transform a house and the way it is used.

One of the clients whose project is featured in the exhibition observes: "Our architect (in this case Mark Guard Architects) came up with ideas that would never have occurred to us. He gave us a house to live in that is closer to art than the 'box' we thought we had."

It is understood that good architecture deserves furniture that, at the very least, harmonises with the whole and at best brings the project alive and helps provide a fitting backdrop for the lives of the people who live with it.

This exhibition explores the

connection between a house and its furniture, using a few precise case histories to illuminate the subject.

Some recently completed projects by young architectural practices are described in detail (mainly by means of illustration). Furniture appropriate to the building and the budget was chosen by Ruth Aram. Where possible it gives the nuts and bolts of what everything cost, although some of the clients have refused to reveal figures.

The projects range from a

poolhouse in Wiltshire, which houses an indoor swimming pool and living accommodation, at a price which the clients are unwilling to discuss, to the £5,000 conversion of a warehouse in Shoreditch, east London.

There is also a beautiful extension to a 1950s Ove Arup house in North London by Eva Jiricna, beyond the budgets of most of us, but nevertheless an interesting example of how an inspired architect can breathe new life into an ailing building.

Finally, and of great interest

to the thousands of terraced house dwellers all over Britain, there are the conversions of two Victorian houses in London – fascinating examples of how an entirely modern environment can be conjured up out of period structures.

Photographed here are examples from three of the projects. Whose House is it Anyway? is on at Aram Designs, Heath Street, London NW3 until April 23. The shop is open Tuesday to Sunday from 10am to 6pm and on Saturdays and Sundays from 1pm to 6pm.



Fine lines: the renovation of this 1950s house designed by Ove Arup and the Rhodesian architect Erhard Lorentz produced startling results. Credit must go to Eva Jiricna Architects Ltd, which also added an extension to the north London property. In the foreground is a Powersplay chair and ottoman in natural maple designed by Frank Gehry. Eva Jiricna Architects Ltd is at 7 Dering Street, London W1R 9AB (0171-629 7077)



Out of the old: This late 19th century warehouse in Shoreditch, east London, was thoroughly dilapidated and being let at a very low rent when architects were called in. The budget for the conversion was just £5,000 and the furniture recommended by Ruth Aram came to £2,500. Seen here is the main open-plan living and working area with a dining table in natural birch and dining chairs with webbed seats and backs, all by Alvar Aalto. The coir matting on the floor and the lamps are by Best & Lloyd. All the furniture installed at the home can be ordered through Aram Designs (0171-431 4008). Architects in charge were Orange Architecture, 8c French Place, Shoreditch, London E1 6JB (tel: 0171-613 5008)



Let there be light: the partitioning walls in this Victorian terrace house in Notting Hill, north London were stripped away to make an open space on the top floor. In place of walls are pieces of furniture which house everyday objects and define the surrounding spaces by adding warmth and colour. The glass roof of the top room allows daylight to flood into the house. In the photograph are Les Grands Transparents mirror designed by Man Ray, a blue lacquered finish "Butterfly" chair by Arne Jacobsen and a Tolomeo anglepoise lamp in aluminium designed by de Lucchi and Fossati. The contract value of the building works was between £50,000 and £100,000, while the furniture chosen by Ruth Aram is worth around £5,000. All items from Aram Designs. The home was converted by Sauerbruch and Hutton Architects, 74 Ledbury Road, London W11 (0171-221 0105)

## Connolly kick-starts a collection

If the name of Connolly means anything to you, the chances are that what it brings to mind is the smell of car leather, images of the great days of motoring, speeding along the Corniche in a Rolls-Royce or a Morgan, or even, more mundanely, negotiating the M25 in a Nissan or a Renault – for Connolly leather is big in the motor trade.

For years it has been sole supplier to small elite manufacturers and the biggest of multinationals. It is still family owned and is doing nicely out of purveying leather to the motor trade.

But one of the family, Anthony Hussey, began to feel that profitable though car leather is, the company did not use leather in a very leatherly way. "I like it with all its funny bits and natural grain, but for the car business we have to make it look as uniform as possible. That is why I decided to start on a proper leather collection of our own."

He believes there is only one place to start – at the top: "I want Connolly eventually to become the English Hermès – Hermès' leather is superb, of the absolute highest quality and that is what I intend Connolly to be."

André Putnam, high priestess of French interior design, was summoned to convert an old Regentia mews into a combination of shop and showroom. Ross Lovegrove, a designer Anthony had come across when judging a chair design competition for Joseph Ettedgui, was commissioned to design a range from scratch. No expense was spared, no compromising of quality or craftsmanship entertained.

The results can be seen when the shop opens on April



Leather washbags, £280 (with optional inner frames of burr walnut, £350)

4. The collection centres round a capsule collection of carry-on luggage – a suit-carrier (beautiful hangers, a shoulder-strap, hooks so it can be doubled up and not trail full-length and an extra zipped pocket at the top for last-minute purchases), an attaché case (little compartments on the side, a flap to hold papers and documents) and a weekend case (double-sided, two compartments, two

zips, a shoulder-strap).

All the pieces are handmade by craftsman and Ross Lovegrove has worked hard to give them a coach-built feeling. Colours are black, chocolate brown, tan, bottle green and blue/black. All the fastenings and locks are made in soft polished aluminium, and burr walnut, reminiscent of car dashboards, is used for framing some cases and the washbags.

What we are talking about is state-of-the-art leather and hours of time-consuming labour. The prices are therefore high enough to make those of us not used to such luxury faint away the attaché case rolls in at £1,800, the weekend one at £3,420. Pieces all made to order.

More accessible for the rest of us are the smaller pieces of leather – beautifully soft and pliable wallets at about £120 – and a range of products connected with the grand days of motoring which will gradually be introduced.

Classics such as the original car shoe, made out of one soft piece of leather with little non-slip studs on the bottom, are selling at £160 a pair. Look out too for the Mille Mille jacket for cashmere car coats, coffee-machine to fit into the car, goggles, touring maps and racing hats.

Besides the ready-made products in the showroom there will be a craftsman's workshop where special orders can be taken. Fancy a leather-covered telephone? Or even a suitcase of special size and shape? Connolly will do it for you.

Connolly opens at 32 Grosvenor Crescent Meus, London SW1X 7EX on April 4.

L.v.d.P.

■ Last week's photographs of Marks and Spencer suits for men were by David Bailey.

### Back Relief & Relaxation

Treat your back to the world's most stress-free recliner!



FREE colour catalogue

Adjusts from vertical to horizontal in the doctor recommended 90/90 position used by the NASA astronauts.

Scandinavian styling and elegant wood finishes, with leather or fabric.

Freephone 0800 374 604; Fax 24 hrs 0171 387 3916 or write (no stamp required) FREEPOST, Anatomia Dept 2, 21 Hampstead Road London NW1 0YN

Europe's Finest Cookers.  
**STOVES**  
ESTABLISHED 1920

A detail of the suit carrier showing the finely-made aluminium hanger

## FORE SALE.

Traditional Provencal style houses set in 450 acre private estate with views across golf course.

Port Royal en Provence is an exclusive new country club resort just 30 minutes from Aix-en-Provence and Marseille-Provence International Airport.

Centre piece is the Seve Ballesteros designed championship golf course. Adjoining it are the sympathetically designed villas, town houses and apartments. Priced from £300,000 to £50,000. And surrounding it is Provence, surely one of the most captivating places on this earth.

For more information on owning a home at Port Royal phone 0171 702 0033 or return the coupon below.



To: Port Royal en Provence, 3 St James's Square, London SW1Y 4JU. Tel: 0171 702 0033. Please send me a brochure.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Postcode: \_\_\_\_\_ Tel: \_\_\_\_\_

PT909



## BOOKS

## Treachery of the democratic rulers

Frank Webster assesses a powerful exposure of political and moral confusion

Time was that political labels meant something: to be left indicated a hostility towards free enterprise and an enthusiasm for change in everything from labour relations to family affairs; conversely to be right evoked an eagerness for preserving traditions as well as support for commerce.

But what are we to make of the old terminology nowadays when we come across radicals who urge conservation against industrialists, or die-hard capitalists who support the sale of pornography on grounds of freedom of choice?

Christopher Lasch, one of America's greatest thinkers, makes the emptiness of established categories clear in this, his final book. *The Revolt of the Elites*. Published posthumously, its ostensible concern is with the state of democracy in America, although it continues long-cherished themes of this emi-

nent conservative leftist.

It is an essential read for anyone concerned with the quality of life in the advanced capitalist societies, not least because it forces us to confront the easy political labelling in which we habitually indulge. Lasch does not offer a comfortable analysis of the present condition, but no serious thinker can come away from this book without being troubled by and respectful of a most profound thinker.

Since Professor Lasch insists that argument is the very heart of a democratic society, then this sort of engagement with his book itself advances his goal.

The starting point of *The Revolt of the Elites* is that democracy is in

trouble, and that new professional and managerial elites are the major cause of this. These have disconnected themselves from the majority, living a separate existence that is global and transient, is immersed in symbols and abstractions, and is above all one which encourages perpetual upheaval and change.

These elites promote a culture which is non-judgmental, tolerant of difference, and committed to diversity because, Lasch says, this suits their own selfish and hedonistic lifestyles. Post-modernism is the favoured ideology of this fortunate minority, an ethos which will have nothing to do with restraint, responsibility, and moral guardian-

## THE REVOLT OF THE ELITES AND THE BETRAYAL OF DEMOCRACY

by Christopher Lasch

Norton £16.95, 276 pages

ship, terms for which Lasch has something approaching reverence.

Lasch's title echoes Ortega y Gasset's *Revolt of the Masses*, a reactionary work that ascribed most of the century's ills to the rise of the plebeian classes and their untimely "appetites". Against this, Lasch contends that it is middle-American values that ought to be upheld since these support independence,

scepticism of novelty, and self-reliance.

Too often the cosmopolitan elites deride such populist traditions, since they appear stultifying and stagnant. But, Lasch argues, it is these very values of looking after oneself and family, of watching out for neighbours, and of caring about the community that are a cornerstone of a vital democracy.

Much of this book is taken up with an attack on the relativism of the elites where anything goes, where every culture and sub-culture must be valued, where every one of us must have "self-esteem". To Lasch, this amounts to a new dogma: one that refuses to make any sort of discrimination, avoids

every sort of valuation, and diverts argument by defining democracy as "self-esteem for all".

But the very driving force of the democratic process is, says Lasch, argument, something the elites go to great lengths to avoid, since they regard it as the assertion of opposing dogmas.

Nothing could be further from the truth, but the elites of our universities and professions have determined that it is so, hence vigorous and principled contestation of viewpoints will not take place (it may so easily offend single parent families, or ethnic minorities, or some other minority group).

Here Lasch ranges across many subjects: the state of American uni-

versities, the decline of politics, the meaning of work, and the condition of religion. On almost all counts he turns his back on the present. Progress has brought no real improvement in the quality of our lives, although it has certainly introduced an unexamined faith that "more is better".

What good, he asks, has come from massive social mobility out of the working class, if all it brings is the rootlessness and amorality of elites. Lasch yearns for those old Protestant virtues of endurance, moral rectitude, pride and worthwhile labour that produced tangible products, a measured life dedicated to friends and neighbours, and the belief that all citizens are capable of political understanding. One can admire them without believing they can ever be resurrected.

Frank Webster is Professor of Sociology, Oxford Brookes University.

## Fiction

## Cold tones of literary retribution

In Martin Amis's new novel linguistic sophistication goes hand in hand with an unpalatable arrogance, writes Nick Curtis

Through the hype about a £500,000 advance, marital difficulties and complex dentistry, Martin Amis's new novel emerges as a serious, even sober companion to *Money* and *London Fields*.

Although it shares their urban meles, their weight and their squirming aura of disgust, *The Information* is far less facetious and funny, far more demanding and dense than its predecessors.

This tale of random cruelty, where the rarefied spats of writers and the knee-jerk violence of the underclass are dwarfed by the vicious caprices of the dying universe, is laudably sharp and unfailingly literary. But it is also unbalanced and not a lot of fun to read.

*The Information* shows how information can be wrong, or wrongly used. It also shows how too much information can overwhelm: what do the witters of writers matter when one is faced with the inevitable, calculable death of our solar system? *The Information* features two writers, both of whom are 40, and neither of whom is any good. If, as Amis claims, both writers are him, *The Information* is a masterly anatomisation of self-loathing.

Richard Tull is a once-published obscurist novelist (his latest manuscript causes cranial seizures in editors), now reviewing lardy literary biographies for a pittance. Richard wants revenge on Gwyn Barry, a lagardly contemporary whose head has swelled in proportion to the absurd success of his asinine utopian novels. Richard is prepared to sink to any depths, even to recruiting some ghastly criminal working-class types, for his doomed, irrational retribution.

For linguistic playfulness and thematic boldness, this book exceeds Amis's best work. For repellent, wrong-headed smugness it replays the mistakes of some of his earlier work. Both Amisian touchstones are here shackled to a cold, sour tone which is

clammy gripping but resolutely unentertaining. When the story riotously takes off, in both senses of the word, to America, the section seems to come from a different book (*Money*, in fact).

But most of *The Information* takes place in London, and while Amis is convincing and compelling in his realisation of cosmology and the writhing soul of the middle-class, middle-aged but high-brow male, his portrait of London life is often laughable. The working-class über-yobs are vivid but

## THE INFORMATION by Martin Amis

Flamingo £15.99, 494 pages

two-dimensional, like psychologically sophisticated characters in vintage British TV cop series. And Amis intrudes himself into the narrative to confess how poorly he writes women. This is the worst but most telling in a series of gauche first-person interruptions that aim at novelistic experimentation but risk of authorial laziness.

There is a thin line between artist and pseud and Amis wanders over it several times in *The Information*. The linguistic sophistication goes hand in hand with an unpalatable arrogance. "I understand this," he seems to say of black sensibilities, female sensibilities, working-class orphan-criminal sensibilities, and you think "no, you don't".

Largely, this scepticism is eclipsed by Amis's sheer way with words and themes: the unconvincingly mortal is bent to the service of the higher thesis, the matter to the manner of description. But ultimately the commitment and concentration Amis demands from the reader is greater than the information and entertainment he supplies. *The Information* is a clever, serious and sophisticated book, for which Amis cleverly secured a huge advance: readers wanting more engagement and entertainment, however, may feel short-changed.



## Orson's spells

Pure magic or cheap tricks? Peter Aspden unfolds the mystery

At the end of Orson Welles's "B" movie masterpiece *Touch of Evil*, Marlene Dietrich croaks: "He was some kind of man", then remembers herself, and the futility of such judgments: "What does it matter what you say about people?"

Her subject is the corrupt policeman Hank Quinlan, an archetypal Wellesian monster-with-a-soul; but it is not a bad obituary to apply to the old boy himself.

There are those who consider Welles to be one of the 20th century's most awesome talents, while others see only his wastefulness and over-indulgence. Assessing his life's work could almost become a general test of how to judge the artist's role in society - is it right to favour spontaneity, brio, excitement over good sense, earnestness, application? Welles is *that* important; and yet, a good part of his life, what one might call the sherry-salesman years, made it all too easy to forget.

Simon Callow's compelling account of Welles's early life - it finishes on Oscar night 1941 and the snubbing of *Citizen Kane* - tries harder than most to deliver a measured verdict.

## ORSON WELLES: THE ROAD TO XANADU by Simon Callow

Jonathan Cape £20, 640 pages

It is not an easy task; Welles directed much of his energy to polishing the legend, and his self-effacing moments were few. He playfully denied having written a critique of *Thus Spake Zarathustra* at the age of ten, but the fact that it needed denying is proof of a monstrous precocity.

Callow does not attempt to disguise his occasional revisionism while he chronicles the youthful Orson's progress. His progressive mother ensured there would be no baby talk in the house, passing directly to Shakespeare. When the family doctor visited to examine his elder brother he heard the 18-month-old Orson proclaim: "The desire to take medicine is one of the greatest features which distinguishes men from animals". At the age of 11, arriving at his mid-western school, Welles lit incense in his room, talked of the ways of the mysterious east (which he had visited with his alcoholic father) and announced his intention to convert his friend from a logical Aristotelian to a poetry-loving Platonist.

Within a couple of years, encouraged by a doting head teacher, Welles had taken over the school magazine, literary society and theatre, was writing drama and opera reviews for the local newspaper and had honed his self-promotion skills to a frightening degree. Not surprisingly, little of what he said or did had any depth. He was, Callow remarks, "a

logical thinker who refused to think logically, in love with the sound of poetry, addicted to paradox and wit, but never with the objective of saying anything precise." It is not an unreasonable analysis of his entire career.

What, then, was so special about Welles? Callow returns throughout the book to two factors in particular: that intoxicating voice, and the fearlessness with which he threw himself into any project. Other skills - phenomenal energy, a determination to innovate constantly, a deft way with the media - played their part, while some of his innate abilities, for example his natural feel for the positioning of a movie camera, bordered on the mystical.

But self-confidence remains the key: Callow can scarcely disguise his incredulity in recounting one night in the middle of Welles's famous all-black "voodoo Macbeth" tour, when the production's lead actor and understudy suddenly fell ill. The absent director caught the next plane, blacked himself up and bounded on to the stage himself. It was an event, says the author, "best contemplated in awed silence".

Callow is superbly perceptive in his analyses of Welles's theatrical triumphs, writing with great compassion and understanding from the actor's point of view. He is not frightened to discuss Welles's limitations in this sphere - he was bad at learning his lines and something of a ham - and gives due credit to many of his talented collaborators, such as Michael Mac Liammóir, John Houseman and, controversially in the case of *Citizen Kane*, Herman Mankiewicz and Gregg Toland. To all intents and purposes, Mac Liammóir and Houseman fell in love with the young genius, and Callow gives a convincing account of Welles's seduction techniques, developed at a dangerously early age and not gender-discriminate.

By the time we get to *Kane*, the seeds of the boy wonder's decline are already sown. Callow is generous to Welles in his account of the screenplay authorship dispute (arguing that the director was inspired by the terror of being "found out" rather than by naked vanity), but shrewdly corrects Peter Bogdanovich's whimsical description of *Kane* as "the initial courtship of an artist with his art" as more of a "ravishment or 24-hour copulation". By the age of 26, the irrepressible writer-producer-director artist had made enough enemies to last him, literally, a lifetime. Each mention of *Kane* during the Oscar ceremony which closes the book was greeted by boos, hisses and jeers. Welles was not present, proclaiming his distaste for Hollywood's false and wicked ways; but Hollywood was already planning its revenge.



Supreme self-confidence: Orson Welles

## Ensnared by the outback

Presumably, most people would think to include Australia in a list of the world's top 100 living English language novelists. And doubtless his name will endure because of *Schindler's Ark* (aka *Schindler's List*), his novel of the Holocaust.

But *Schindler's Ark* apart, there are grounds for believing that Kenneally's greatest theme - the theme of dispossession, whether of individuals or peoples - is handled most poignantly and successfully in his Australian novels.

There is a lit and miss element about his non-Australian works, including the last one, *Jacko: The Great Intruder*. But when Kenneally is on the hard red earth of home, deep in the Australian bush (or even the Sydney suburbs, where acres are lush and corrupt), his art-

istry and sureness hardly falter. Indeed, his new novel, *A River Town*, will be ranked by many as the equal of *The Chant of Jimmy Blacksmith*.

He builds his story simply and directly. The setting is riverside Kempsey, a settlement in the Macleay valley near the humid northern coast of New South Wales. The time: the start of the present century, just before the Australian states banded themselves into a raucous federation.

Offstage, Britain's griefs in Africa fill the newspapers. Onstage is Tim Shea, a young Irish immigrant trying to make headway as a small-town grocer. In part, this is Kenneally's family history. Thomas's grandparents were

also small-town store owners who ran a business in the Macleay valley a long ride by steamer from Sydney.

Yet it would be hard to imagine that Kenneally's grandparents saw half the troubles

around the corner by Worthington's butchery starts things off. This is Lucy. Her father's sulky has overturned. By the time Shea gets there the horse is thrashing in agony and Lucy's father is dead. Three pigs are eating his head.

That is the first horror. But it is not until halfway through the novel that Kenneally, with a magician's flick of the wrist, suddenly draws the ropes tight to show how an innocent and honourable man has become ensnared by circumstance and enemies.

Shea is tricked into debt. His business prospects crash. He is accused of lack of patriotism. His wife is absent in Sydney, which is struck by bubonic plague. He is haunted by the

head of a young girl that a policeman has in a bottle (no one will identify her). And Shea's son Johnny, when in Lucy's company, seems driven to fatal tricks. The pair leap from a river steamer, then climb an Angelus tower.

At last, during a picnic, near the top of a headland, madness enters the children. A sea eagle, circling malignly, seems to trigger something between them. Their hands clasped, the children race down the incline of the headland towards the cliff-face, above a deadly cauldron into which it seems they must fall.

What happens when the children reach the edge of the cliff-face is shockingly unexpected. But still Shea's troubles

do not end. Kenneally keeps turning the knife.

As usual with Kenneally, there is a full cast of robust supporting characters, and skilfully rationed flashes of the great descriptive power he can summon at will. At one point, a sulphur-crested cockatoo swoops through the air at the corner of Tim's sight, startling him with its brilliant white plumage and yellow comb before joining others of its species in a gum tree. "A tree so adorned," writes Kenneally, "always looked as if its branches were hung with white and yellow silk" - superb.

Great novelist, Ripper read. Will be touted for the Booker shortlist, which has been Kenneally's lifelong friend.

Michael Thompson-Noel

## A triumph in self-discovery

Nick Hornby, author of the acclaimed account of soccer fandom, *Feet First*, has produced a triumphant first novel. *High Fidelity* is true to life, very funny, and moving. Hornby writes about relationships, the good things and the petty things. He maps out feelings with rigour, searching out the awkward little emotions we shove aside.

*High Fidelity* charts a male rite of passage, although the hero and narrator is in his thirties. His life should have taken firm shape - marriage, children, a good job - but it hasn't. Rob runs a record shop that is in serious decline, and

lives alone in a grotty flat.

The book begins with Rob moodily compiling a list of his "desert island, all-time, top five most memorable split-ups". We begin with his first love, Alison: 12-year-old Rob and Alison are hanging out on the swings and roundabouts, and have just discovered irony. "If you could somehow prove that these childish entertainments had the potential to dash your brains out, then playing on them became okay somehow." Evenings follow the formula of

"park, bag, snog", but on the fourth night Rob arrives to find her sitting with someone else. Okay, they were in a rut, but why didn't she tell him!

Rob takes the reader through his romantic past, up to the present day, when the story, such as it is, begins in earnest. Rob feels a failure because Laura, his long-term girlfriend has just left him, and because of his work, which he doesn't like to think about too much. He employs two dreamy losers called Barry and Dick, and

## HIGH FIDELITY by Nick Hornby

Gollancz £14.99, 253 pages

they are all obsessively knowledgeable about pop music, as if it were an arcane science. As arbiters of pop taste they wield a stern, unforgiving aesthetic, which makes them feel superior; they compile lists about everything, and this helps shut out the world. It is hard to explain how amusing

and convincing Barry and Dick are as creations; but undoubtedly Hornby's ear for dialogue helps, as when Barry, angry and blustering, tells Rob that he will have to "pay big" if he has damaged his jacket.

Rob talks to the reader as if talking to his most trusted confidant; we see the world through his eyes. And what observant, sharp, funny, honest eyes they are. They make one want to laugh out loud (as I did, many times), and to know these people more: what

will this character, now so quirkily alive to us, do? Does he love Laura? What was the real problem between them? And is Rob hiding from the world, in spite of his acuity?

The answer to the last question is yes, and by the end of the novel a rite of passage has been accomplished. The death of Laura's father throws him into an awareness of mortality and reality, and he achieves a kind of wisdom. Hornby's use of death here is a little contrived but the rest of the book is wonderfully authentic.

Kathy O'Shaughnessy



## BOOKS

Quartet Books is confident that this quietly interesting book, moving as such intimate tales of other people's lives can only be, will become a classic of the genre. I am not so sure. Books of self-revelation, tales of analysis, therapy, treatment, need a glitter of fame and scandal to make them attractive to a wide audience. The quiet despairing lives of quiet despairing people, extraordinary only in the lengths they will go to and the money they will spend in their search for emotional peace and the meaning of life, are fascinating only to others like themselves. And in as much as the book seeks to win people over to the notion that psychoanalysis "cures" and is "worth it", *Retrospect* is not exactly successful.

Emma Thrall, from an apparently contented background with concerned and loving parents, a husband, a teaching career and two teenage daughters, suffers a breakdown in middle-age and is confronted by despair: she spends many years in Jungian analysis

## Mid-life made into a crisis

Drink, drugs and fornication are better than any therapy, suggests Fay Weldon

and at the end of it, though still afflicted by black periods of self-doubt and fear of death, sees that "the dark and tortuous river of unnameable dread" which ran through her childhood, now runs beside her and is life itself. It no longer oppresses her.

But oh, Emma, you spent such a long time getting there; are you really recommending it to others? Would it not have been sensible to have given up helping others, stopped working with disabled children - left that to others more cheerful than yourself - stayed away from the Centre of Transpersonal Psychology where your mid-life crisis (boredom and teenagers can do it to anyone) was described as "an opportunity to break down in order to break through"; and had a good time? Taken to drink, drugs and fornication? They might

have worked better. Stayed away from Dr P, your lady therapist with whom you had fallen in love (positive transference), but who was not in a position to return your love for more than a couple of well paid hours a week?

"In the safe circle of her arms I could contemplate disaster and death... When she went away I was lost, floundering like a beached whale. I rang her the evening before her holiday.

"How is it that you have hope and I have not? When you go, you take it all away."

"It's your hope. I keep it for you - like a bank. For you to draw on when you're ready."

"The vital essence of the marriage had withered and died." The vital essence being defined by Dr P., Emma moves out with her two teenage daughters. But now she has no money. Dr P is annoyed.

"So you think your husband and you a pound a time until you find a job." Oh, big deal!

Emma's mother is the next to go, as a source of help. She was a loving parent, but turns out to have been too protective and not sufficiently demonstrative. Mother dies, of senile dementia, in a geriatric ward. Perhaps grief and depression would be a natural response but poor dying and dead mother seems to have to take much of the blame for her daughter's reaction.

Emma has Dr P's photograph to hold on to, though she is living in the dreariest of back streets the better to pay the therapist's bills. Years later Emma is able to stop the analysis - she is wary of saying how long it has gone on but it seems to have been some 15 years. In the same way that the abused child must become an abuser, or so we are told, she trains as a therapist herself. Now she too spreads the gospel of constructive alone-

**RETROSPECT: THE STORY OF AN ANALYSIS**  
by Emma Thrall  
Quartet Books £15, 192 pages

I should support you?  
"I say idly 'I don't want anyone to support me. I will pay you as long as I can, and then I will stop coming'."

"My cheeks burn, I am humiliated. I wrap the tattered remains of my dignity around myself, but it's no use." Finally Dr P does say (gently) to Emma "I will charge

## The Peter Pan of criticism

Cyril Connolly is the great might-have-been of modern literature. Prodigious, talented and an inspired critic, he was the shining hope of English letters in the 1930s and '40s. But he never wrote the brilliant novel that was expected of him, while all around him his friends - Evelyn Waugh, George Orwell, Aldous Huxley - produced lasting classics.

His own critical masterpiece, *Enemies of Promise*, explains why. Writing from France in 1938 "after lunch (cigarette, Vichy, peaches) on a sultry day" Connolly recalled his Eton schooldays and devised his famous "theory of permanent adolescence": "That the experiences undergone by boys at the great public school... are so intent as to dominate their lives and arrest their development. From these it results that the greater part of the ruling class remains adolescent, school-minded, self-conscious, sentimental and in the last analysis homosexual." By their 30s, said Connolly, most old Etonians "are haunted ruins".

Connolly himself played the part of louché ruin to perfection. In life and in his books, he embodied the boyish, immature strand of English culture which runs from *Peter Pan* through to *Vile Bodies* and beyond. He was lazy, self-indulgent, extravagant and a compulsive womaniser. He was also absolutely hideous.

"A less appetising pair I have never seen out of the zoo", wrote Virginia Woolf on meeting Connolly and his first wife. "Apees are considerably preferable to Cyril. She has the face of a goliwog and they brought in the reek of Chelsea with them."

This biography, too, reeks of Chelsea. With Bernard Berenson, Con-

**CYRIL CONNOLLY: A NOSTALGIC LIFE**  
by Clive Fisher  
Macmillan £20, 466 pages

nolly talks art "over soup, fish, partridge, foie, champagne and port." His American wife, finding some shot in her pheasant, gaffes "Cyril, there's a piece of iron in my chicken." Chapter 19 opens "in September Connolly was 40 years old and it may have been in recognition of this event that Evelyn Waugh and Nancy Mitford were invited to dinner to find themselves tempted by truffles and lobster, delicacies of the distant time."

Beautiful women - three wives and a string of lovers, competing grotesquely at Connolly's death bed - come and go. Two Venetian pedalo tickets instead of one tumble from a pocket to reveal adultery. Connolly's novel *The Rock Pool* celebrates artistic hedonism in France - in *Who's Who*, he named his hobby as "the Mediterranean". The book was savaged by his ascetic schoolfriend Orwell: "Even to want to write about so-called artists who spend on sodomy what they have gained by sponging betrays a kind of spiritual inadequacy."

So far, so amusing, but so what? Whereas the interplay between life and art in a creative writer is the crux of interpretation, a critic's life is much more incidental to his work, which takes as muse and inspiration other people's writing. The problem with this biography is, as Connolly once remarked, "what is there to say about someone who did nothing all his life but sit on his bottom and write reviews?"

Connolly produced little because he refused to write anything mediocre; among the high praises accorded him as a stylist was French's comment that his pen might be "dipped in the ink of Stendhal and Proust."

His genius was his extraordinary literary prescience. At 25, he singled out Waugh's *Decline and Fall* (1928) as the novel which would epitomise the 1930s; posterity has proved him right. A founder of *Horizon* in the 1940s, and literary guru of *The Sunday Times* in the '50s and '60s, he made and broke reputations. He discovered Dylan Thomas; Orwell and Angus Wilson said they would never have written without his encouragement.

Why was he so powerful, and how did the culture of permanent adolescence that he both loved and hated survive in post-war British society? Fisher declines to address these questions, and wallows instead in Connolly's own nostalgic pool - a sunny Eton afternoon, for the days when men of letters like Connolly wrote their reviews by hand on classy hotel notepaper and sent them by Red Star to *The Sunday Times*, turning up next day for lunch with the sub-editor at White's and a good bottle of claret.

The frisson of elitism and aristocratic glamour brings this account alive. But without a hard-headed critical look at Connolly's achievements, limits and social context, the grand old man of English letters as perceived here is too often a mere eccentric grandee peeping out from his ivory tower.

Jackie Wullschlager

## New World cockiness in war-torn Britain

US troops brought high-tech and humour as well as nylons, writes Christopher Hitchens

In his bizarre but affecting short story *For Esme, With Love and Squalor*, J.D. Salinger captures an accidental encounter between a lonely American officer in wartime Devonshire, and an English schoolgirl of alarming composure and sophistication.

The meeting has something Jamesian about it, in that most of the cultural advantages accrue to the young girl while most of the defence is actually due to the influential transatlantic visitor. Henry James could enthuse about the first world war, in which the US participated eventually as a junior partner to his beloved England. But what might he have made of the irruption of loud, confident, brash North Americans onto the straitened and nerve-racked scene of Britain in 1943?

David Reynolds employs the tools of George Orwell and Mass Observa-

**RICH RELATIONS: THE AMERICAN OCCUPATION OF BRITAIN 1942-1945**  
by David Reynolds  
HarperCollins £25, 512 pages

tion rather than those of Salinger and James, but he does succeed in showing that, this time, the cultural advantages were all the other way. The arriving Yanks were not just better paid, but they were better dressed and knew about music and movies and automation.

In addition, they and their commanders disposed of the industrial and technological strength that was indispensable for the rescue of the British cause, so that "New World" cockiness had a real material basis to it.

Most baby-boom readers will already have heard an anecdote or two from their parents. I remember my mother, an otherwise staunch Wren, discouraging dreamily about nylons and smoked salmon from the friendly and humorous visitors, while my father (who was away much of the time on the Arctic convoys and elsewhere) inclined not only to the old cliché about "over paid, oversexed and over here" but also took the view that "over here" was a fast-travelling anecdote and was duly minuted by the Ministry of Information.

Of a certain kind of knickers, it was contemptuously said, at a time when many British males were overseas or compelled to appear in pubs wearing the uncomely single-issue battledress: "One Yank and they're off." And so on.

The British authorities worried a great deal about this sort of reaction, and so did some of the American commanders. Reynolds has dug through the Ministry of Information reports on civilian morale, and the early Mass Observation opinion surveys, and has come up with a tremendous trove of social history. He has also interviewed a large number of American veterans. It is interesting to know how strongly Eisenhower detested any anti-Limey remarks or attitudes among his juniors. (Some ascribe this to his affair of the heart with his English-rose driver, the wonderful, ly-named Kay Summersby.)

It is even more absorbing to learn of the extreme nervousness of the cabinet, which often viewed the American presence as unenviable but unwelcome, something to be resented in private and uncritically praised in public.

George Orwell may have been the only one to employ the term "occupation" in print, but he was by no means the only Englishman to think in that way. Punch-ups, knif-

ings, insults and even riots were not uncommon, and a good deal of effort had to be expended on both sides in order to smooth things over.

Probably the most useful parts of the book, though, are those that deal not with the direct impact that the two tribes had on each other, but with the changes on either side that occurred as a result. East Anglia, for example, was until 1942 almost Third World in its backwardness. It had never recovered from the collapse in grain prices in the 1870s. Picture if you can the effect on these torpid backwaters of the invasion of American hi-tech. "By the end of the war, much of rural East Anglia had electric light and mains sewerage... It was the beginning of the mechanized, labour-intensive, heavily-subsidised modern era of English farming."

On the other side, the effect was dramatic in a quite unexpected way. About once a fortnight in Washington DC, I encounter cab-drivers who, on hearing my accent, begin to reminisce. These tend to be elderly men who migrated from the South. They speak of their time in England as their first, and in many cases their only, overseas experience. They mention the vile weather, the warm beer, the ghostly food and the kindness of the people. Here was a society that was white but not segregated, and was furthermore welcoming and grateful.

Many survivors, like the young Medgar Evers, returned to the US at the end of the war quite determined not to endure pre-war conditions again. Early voting registration drives in Dixie were begun by men who sported their medal and uniforms as talismans.

Though there was prejudice against black American fighters in England - usually prejudice of the conventional sexually jealous kind - the atmosphere of wartime democracy was in their favour and opposed to the shameful segregation to which they were subject. The remark of a country innkeeper, that he liked the Americans but did not care for "the white fellows they've brought over with them", was a fast-travelling anecdote and was duly minuted by the Ministry of Information.

Reynolds reminds us of what is often forgotten: that by 1942 there had been a near-total collapse of British morale. Dunkirk, Crete, Singapore, Tobruk - a string of catastrophes that no amount of speech-making and propaganda could efface. "Our army is the mockery of the world," wrote Sir Alexander Cadogan at the Foreign Office. "We are out-generalled everywhere." However much the British officer corps fretted at the idea, they needed some muscle and some air cover, and they had to take it where they could get it.

There is thus an almost elegiac character to this book. Its scenes and places have picture-postcard names like Lavenham and Skipton Sands, but these beaches and meadows became the site, not just of brief encounters but of the future hardened silos, covert agreements and ideological turf-battles which, in the closing passages, show the second world war to have been the prelude to the Cold War.

How nice, then, to be living in the post-war at long last. Not that Salinger's hero ever recovered. And what became of dear, fragile, highly-polished Esme?

Christopher Hitchens is critic-at-large for *Variety* Fair.

*For a healthy, happy job*

**Join the WOMEN'S LAND ARMY**

APPLY TO NEAREST W.L.A. COUNTY OFFICE OR TO W.L.A. HEADQUARTERS 6 CRESHAM PLACE LONDON S.W.1 STREET

Images of heroism on the home front: a Land Army poster from Robert Ople's collection of second world war ephemera, including propaganda posters, song sheets, magazine covers, packaging and advertisements, printed in "The Wartime Scrapbook: from Blitz to Victory 1939-1945" (New Cavendish Books £9.95, 60 pages).

In 1962, at a grand Washington party after the opening night of his musical *Mr. President*, Irving Berlin, aged 73, was dancing with a 14-year-old. The beat changed. "Do you do the twist?" she asked him. "No, dear," he replied; and steered her off the floor.

The pang secreted in this story - one of many anecdotes in this new memoir by Berlin's eldest daughter - is that of a musical master out of synch with the new musical idiom of the day. What makes it sadder is that Berlin had been the great survivor of American popular song. He had been writing great ragtime music before the Jazz Age, and he carried on writing great musicals after the second world war, as the swing era dimmed.

But the rock era was too much for him. And Berlin lived until 1989. The main part of this daughter's memoir is not about Berlin in decline, but, in telling briskly the last 40 years of his life, Mary Ellin Barrett seems at last to see him for what he was.

She cannot explain Berlin's ascent, because her story begins

## Great survivor of popular song

**IRVING BERLIN: A DAUGHTER'S MEMOIR**  
by Mary Ellin Barrett  
Simon & Schuster £17.99, 320 pages

Their romance and marriage, against the will of Ellin Mackay's father, caught the world's imagination in the mid-1920s. A charming tale now, it makes the America of that time, which Berlin loved so much and celebrated so strongly, more vivid. It is, however, not a story Barrett can tell from first-hand observation; and she recounts it far more from her mother's point of view.

As she grows up, Mary Ellin hears her father compose; she grows up around both Hollywood and

Broadway; she knows about his occasional dry seasons; she attends some triumphant first nights; she describes many happy incidents of a happy childhood. But, like most children seeing most parents, she does not have Berlin in complete focus.

Then, when she is 25 and when his greatest hits are over, she travels with him in Europe. They meet Picasso; she reports some of the conversation between the two masters. Here Berlin the private man sounds just as we know Berlin the songwriter to be: miraculously unstrained, happily assured.

Were it not to quote from another man's musical, one would call him the Old Man River of American song. Can one account for such mastery? Berlin's daughter cannot, though Berlin fans will find interest in the wealth of lore she has to relate. Her book is simply a touching valediction, the more poignant because she only starts to recognise the father she loves as she is losing him.

Alastair Macaulay



## ARTS

Off the Wall/Antony Thorncroft

## Five good causes hit the jackpot

Good news week is here - at least for a few of us. On Thursday the Arts Council of England will announce the first arts beneficiaries from the National Lottery. The Morecambe Youth Band will undoubtedly be blowing a fanfare, and Nicholas Snowman of London's South Bank Centre could be feeling bouncy - he is likely to get money for a feasibility study on the great Richard Rodgers overhaul of his Thames-side behemoth. If cash is committed for a study, can the full £40m needed from the lottery for the curvy millennial South Bank be far behind?

Although most of the 20m Britons who have a weekly punt on the lottery are losers, some certain winners are now hitting the jackpot: the five good causes which share around 25 per cent of all lottery revenue.

This week 35 sports organisations received £3m between them, and next week it is the arts' turn. Then, in mid-April, a handful of heritage bodies will have their prayers answered and in July up to ten millennium projects will receive the go-ahead. By the autumn the charities' money will start to flow.

This is a low key start for the one government initiative likely to produce a feel-good factor. It is strange that the politicians have not made more of this stream of cash which will reach down and touch all parts of the nation: sports clubs and music societies, community projects, parish halls, and charities.

For in terms of cash the lottery has exceeded expectation. Already each good cause is contemplating around £55m in the bank. They are adopting a steady-as-you-go approach, giving away only a tiny percentage of their hoard in the first allocation, and concentrating on small local applicants spread across the nation.

The Arts Council, for

example, has less than ten names on its initial list, and some will receive only interim funding. The Ikon Gallery in Birmingham is believed to fall into this category. Even though Peter Gummer, chairman of the Arts Council lottery board, says, "I view it all more positively now, I doubted the speed at which the cash would come in", he is still cautious. "We must be absolutely certain we are confident with the application and that the company can manage the project."

Hence the council's fondness for feasibility studies, and ensuring that reciprocal funding from the arts

## In terms of cash the National Lottery has exceeded expectation

organisation - up to 10 per cent for projects requiring less than £100,000, nearer a third for those wanting more than £100,000 - is rock solid. Bad publicity from funded developments that go bankrupt would tarnish the image of this cultural life-line.

What is palpably missing from the arts list is the heavy brigade, i.e. commitments from the Arts Council to give £10m for this theatre, £50m to that opera house. These will come, the first big grant, for the re-development of Sadler's Wells, is likely in the next batch of awards in May.

A speedy go-ahead for the Wells £23m project is essential. Not only will its enlarged stage be seen as the compromise home for the national dance house, but the Wells might also be needed to accommodate either the Royal Opera House, Covent Garden, or the Coliseum, if they close for renovation at the end of 1997.

The Royal Opera House may not win approval until July. The sums are vast - almost £80m needed towards a re-building programme currently costed at nearly £200m. The Arts Council is assessing this application very carefully and would stagger any donation. In the meantime Covent Garden is composing more applications - to the Millennium Commission, for funding to celebrate a re-opening in 2000 with commissioned new works, and perhaps to the Heritage Fund, to cover the cost of preserving the Floral Hall.

All this flurry of activity must be putting iron into the soul of Grattan Endicott, who runs the Foundation for Sport and the Arts. This body, financed by the pools companies, has pumped £230m into the arts and sport over the past four years, giving to just the kind of local brass band and drama club that the lottery is now helping. Indeed, to rub salt in the wounds, the foundation is receiving additional applications from arts organisations who need its money to trigger a lottery grant.

Betting on the pools has been badly hit by the lottery and Endicott sees his annual giving - £88m last year - being reduced by a quarter. If the pools companies, mainly Littlewoods, do not get the reduction in tax they are currently lobbying for, the foundation is at risk. Of course there is special pleading here: the pools companies set up the foundation to delay the arrival of a lottery and have already received one tax cut for their pains.

But the foundation is a good thing. Both the Sports Council and the Heritage Fund have learned from its procedures. It would be sad if an organisation that has offered speedy aid to hundreds of needy arts groups should suddenly disappear. But in the world of lotteries there must always be losers.



The Adventures in Motion Pictures dancers in 'Highland Fling': the sylph becomes a zombie-like siren who appears to the hero in drug-induced hallucinations

## 'Twixt classicism and camp

Alastair Macaulay admires Matthew Bourne's updated version of 'La Sylphide'

In his stage creations, Matthew Bourne - whose contributions to *Oliver!* and other West End productions have helped to place him in the front rank of living British choreographers - is partly a naughty child. He is also a shrewd confectioner of light entertainment, a lucid storyteller employing a wide range of movement, a satirist with a post-modern need to comment on areas of history, a natural and prolific mime artist, and, from time to time, a maker of highly appealing dances.

But the naughty child side of him percolates through all these other facets of his talent. Not surprisingly, a lot of his best work is about naughty children - e.g. the orphanage scenes of the version of *The Nutcracker* he made for his own group, Adventures in Motion Pictures (AMP), and the Act One dances in *Oliver!*, whose impish fun has a marvellously innocent zest. Sometimes, however, he applies his naughtiness to other things, and forsakes innocence for camp.

In *Highland Fling*, danced again by AMP, he re-tells *La Sylphide*, the archetypal 1832 Romantic ballet, and he uses (with a few supplementary passages and cuts) the marvellous score that Lowenskjold composed for Bournonville's 1836 Copenhagen version of this classic. The subtitle, *A Romantic Wee Ballad*, prepares us for Bourne's campy side: which is evident from the first.

*La Sylphide* is set in the Scotland that Walter Scott had made so thrilling to the European Romantics, but *Highland Fling* is set in and around the

Glasgow of council flats, disco, booze, and drugs. Scott's Porridge Oats, Jimmy Shand and his Band... Bourne misses no trick. At the same time, *Highland Fling* is a comedy about the perils of drug abuse: a comic "Just Say No" cautionary tale. The hero James keeps taking noxious substances; and the sylphide is a zombie-like siren who appears to him in his hallucinations.

*Highland Fling*, now being danced at the Donmar Warehouse for three weeks, was new last year. Seen a second time, its comedy seems often too schoolboyish. What impresses, however, is the extent to which it tries to move on from comedy. *La Sylphide*, after all, is a tragic ballet; and though Bourne is as yet incapable of tragic dimension, his most successful feat here is the bizarre allure he gives to the sylph. Bourne's musical sense is, on the whole, acute; and the moment in Act One when the window blows open to reveal

the sylph again to James, on the same musical cue as in Bournonville's ballet, has the same aurally seductive effect.

Maxine Fone, as the sylph, gives the performance that keeps extending the work's mental scale. On the one hand, she is a blanching zombie with staring charcoal eyes, a phantom of the Gorbals; on the other, she is constantly presenting herself in the potent barefoot shapes of Canova sculpture, a piece of living neoclassicism given new urgency. What a conception!

Bourne's steps, a peculiar assortment of turned-in and turned-out legwork, are mainly anti-classical in stress, but Fone gives them a dynamism and coherence that almost make them feel classical. Elsewhere, however, the dancers of Bourne's Adventures in Motion Pictures group show a dreadfully British tendency to display a fixed precision of facial expression and gesture that is lacking in their actual dancing.

British dance today is full of

enfin more or less terrible, artfully poised on the cusp between classicism and camp, their work marked by a Peter Panish lack of adult dimension: of whom Michael Clark, Ashley Page and Bourne are the most prominent. Bourne, however, is the one with the surest theatrical instinct, and the keenest musicality.

*Highland Fling* is an improvement on his acclaimed *Nutcracker* in the scale and energy of its dances, and in the modern seriousness with which it addresses the doomed escapism that is central to the *Sylphide* story. Still, it is lightweight, and often, surely, more lightweight than it should be. Can Bourne make a grown-up dance? In interview, he often says that his two choreographic heroes are the two Freds: Astaire and Ashton. The breakthrough into adult scale is something he can still learn from them.

*Highland Fling* continues at the Donmar Warehouse until April 8.

Radio/Martin Hoyle

## Clichés thick and fast

An early deadline preempted my observations on the Senior Service's contribution to Comic Relief at the end of last week. No, John Humphrys did not sit in a vat of custard, nor was Sue Lawley pelted in the stocks with rotten oranges, all in the cause of cheering the world up. Radio 4 daintily had a spot-the-cliché day, which should have concentrated the broadcasters' minds wonderfully on freshness and articulateness but merely showed up the woolliness of the concept of cliché. When does convention become cliché? When does an accepted linguistic formula, short-cut or code become stale?

When it emanates from *Kaleidoscope* of course. Hilari-

ously, nobody had told the presenter of that day's programme - from New York, unsurprisingly enough, given the BBC's creeping Americanisation - that it was radio cliché day, and he sailed in with verbal guns blazing about the throbbing, glitzy Big Apple, St Patrick's Day transforming Manhattan into a sea of green, and the studio full of glitterati awaiting us. Of course, it might have been a beautiful

send-up of the pipsqueak cub-reporter style currently much favoured by those anti-elitist elements in the corporation who equate culture with colour-suppé and the art of communication with the diffusion of - er - cliché.

Radio 4's *Today* is surprisingly free of the vice despite, or perhaps because of, the clichés that pelt the presenters thick and, er, fast. It must be hard after a while to pick one's way through the obfuscation and elusiveness of even the nicest-seeming politician, but they do it well. Long may Naughtie, MacGregor and Hobday live to harass the pharisaic, especially as Conservative spokesmen have developed a new method of dealing with interviews or discussions: they merely shout incessantly through everyone else, thereby bulldozing any attempt at coherent interview.

A new cliché from across the Atlantic is "communitarianism". It is catching on here too, to judge from Tony Blair's speech on Wednesday. It chimed in neatly with *Today*'s survey of this American movement away from central government and towards civic

inter-responsibility; and the air is loud with the distant wailing of babies (usually single parent babies, naturally) being thrown out with bath-water. In Massachusetts state spending of welfare is at 40 per cent below the poverty level (I hope I misheard this). Young residents in a state-run hostel for mothers and children compared it with being in prison or rats in a laboratory. Communitarianism seems to be Victorian parish welfare writ polysyllabically. Oliver Twist should be living at this hour, but then he probably is - look in the shop doorways of our great cities any night. The frightening thing is that this unloving paternalism with its tendency to grim-faced self-righteousness is a slithering side-step away from new Labour attitudes. With liberalism like this who needs reactionaries?

Still across the Atlantic, Radio 2 lavished favourable resources on *A Little Night Music*, Stephen Sondheim's musical based on the Ingmar Bergman film, *Smiles of a Summer Night*. It confirmed that (a) the musical is a fairly crass form when it comes to attempting subtlety, and (b) Sondheim is exquisitely arid: not quite tuneful, not

quite epigrammatic, not quite witty. Now he really is an idol for our colour-supp culture, the delight of blue-nosed matrons who find him accessible enough to sit through and boring enough to be art. This mannered chic was done more affectionately than the Met's *Bohème* on the same day. There is a consistent level of routine to these weekly Radio 3 relays from New York via the European Broadcasting Union. Was it not Thomas Beecham who railed against importing foreign mediocrities when we have enough mediocrities of our own?

For freshness, originality and plain quirkiness, Jan Morris, "getting to know the admiral", takes the sea-biscuit. With audible delight the author explains her love affair with Jackie Fisher, a late Victorian sea lord, mischievous addictive dancer, shrewd, humane, very much an anti-cliché. They still exist, even on Radio 4.



## FIDELIO IN BREGENZ with the FINANCIAL TIMES

Wednesday 26th July - Saturday 29th July

After the success of David Pountney's production of *Nabucco*, which proved a sell-out in both its seasons, we are delighted to invite Financial Times readers to the Bregenz Festival for his new production of *Fidelio*.

This July come with us again to this small Austrian town on the shores of Lake Constance, where we have reserved seats for the open air performance of *Fidelio* and for Harry Kupfer's production in the Festspielhaus of *The Legend of the Invisible City of Kitesch*.

We have arranged with British Airways to fly FT readers from London Heathrow to Zurich. There, hire cars will be available for you to enjoy the drive over the border, and for your use throughout your stay. We have suggested a four day itinerary, though arrangements can be adjusted to fit in with your plans.

The Financial Times, has secured a limited number of tickets for both performances. To receive further details of this FT Invitation please complete the coupon opposite.

## Suggested Itinerary

Wednesday 26th July  
Depart Heathrow at 12.00pm. Flight BA 714.  
Arrive Zurich at 2.40 pm. Drive to Bregenz.

Thursday 27th July  
Nikolai Rimsky-Korsakov's 'Die Legende von der unsichtbaren Stadt Kitesch' at the Festspielhaus

Friday 28th July  
Ludwig van Beethoven's 'Fidelio' on the Floating Stage.

Saturday 29th July  
Depart Zurich at 3.40 pm. Flight BA 715.  
Arrive Heathrow at 4.20 pm.

Prices  
Hotel Schwarzer £675. Hotel Hirschen £654. Pension Traube £645.  
Prices are per person sharing a twin room with shower and wc, on a bed and breakfast basis. Scheduled air travel by British Airways from Heathrow. Opera tickets for both performances, and a Group A Hertz car for three days.

Alternative flights (dates or departure airport) can be quoted on request. It is possible to upgrade the car group prior to departure at additional cost. All elements of this invitation are subject to availability.  
This tour is organised on behalf of the Financial Times by J.M.B. Travel Consultants Ltd ATOL 3539.

The information you provide will be held by us and may be used by other select quality companies for marketing purposes.

## BREGENZ

To: Nigel Pullman, Financial Times, Southwark Bridge, London SE1 9HL.  
Fax: 0171-873 3072.

Please send me full details of the FT Invitation to Bregenz

Title..... Initials..... Surname.....

Address.....

Post Town..... County.....

Post Code..... Tel No.....

**CHAMBER BALLET**  
"AN EXCELLENT COMPANY"  
The richness of Czech music & folklore  
Featuring London Premieres  
Prog 1: Thurs, Sat (eve) 7.30pm; Wed, Fri, Sat (mat) 2.30pm  
April 7-8pm, 10pm, 11pm, 12pm, 1pm  
**SADLER'S WELLS**  
Sadler's Wells Theatre  
Box Office 0171 713 6000 0171 413 1440

**NBI**  
YOUR WILL...  
can help so many elderly people who have given so much  
...and are now in need of help themselves - with nursing home fees or care costs and in many other ways. Please ask the NBI whether you now you can set up a legacy, a coronavirus subscription, or please send a donation to:  
The Secretary,  
The National Bureau of Information,  
61 Baywater Road,  
London W2 3PG.

## ST. JOSEPH'S HOSPICE

MADE ST. HAKEL, LONDON SE 16 6BA  
(Close to the Tube)

So many carers as strangers, weary of pain and fearful of the unknown. They gladly stay as friends, secure in the embracing warmth, fortified and cherished to the end with the help of your graceful gifts. I thank you kindly on their behalf. Sister Superior.

## ART GALLERIES

PASTELS TODAY, The Pastel Society 1995  
Exhibition. Most works are for sale. 10am-5pm every day until 26 March 1995. MALL GALLERIES, THE MALL, LONDON SW1.  
Tel 0171 800 6644 Adm: 02, corral, 01



**F**



## PROPERTY

**E**ager foreign buyers are ordering entire English homes - in kit form. The Tudor style is the most popular and British firms are dispatching orders as far afield as Japan, Israel and Russia.

"Export of these houses generally succeeds where there is a currency relationship which allows people to buy over here competitively, because the cost of haulage and transport are quite high," explains Malcolm Hockless, managing director of Prestoplan Homes.

Prestoplan Homes exports houses to Japan, Israel, France, Spain and Southern Ireland. All the components, including the timber frames which form the skeleton of the buildings, are shipped out flat in containers and assembled on site.

It takes about three months to build a house from start to finish, keeping the building time and the cost of on-site labour to a minimum.

At present the Japanese are the largest importers of timber-framed buildings.

Exclusive developments of Tudor-style houses, complete with inglenook fireplace and oak beams, have sprung up in Takamatsu, Osaka and Kobe and the orders continue to pour in. During the recent earthquake, Tudor-style houses at its epicentre in Kobe remained unscathed. Prestoplan Homes, which supplied the buildings, believes this is partly because timber has more give in it than materials such as brick and concrete.

Senko Sangyo is one of Japan's major building and property groups and has been buying houses from Prestoplan Homes for several years. It has recently commissioned Custom Homes International to build a four-bedroom Tudor-style executive show house in Takamatsu City, the capital of Shikoku, priced at £250,000.

Custom Homes's chairman Christopher Heath, whose company also sells houses to Turkey and Germany, explains that the houses it builds in Japan are typically British with a few adaptations for the Japanese market.

"They all have a prayer room which has an alcove for a Shinto or Buddhist shrine. There are other smaller differences, for example the work surfaces in the kitchen are much wider, but overall houses hardly differ from those we build in the UK."



Way to learn: the Elizabethan village at Shirakawa, Japan forms part of a university campus where students try to master the English way of life

## Hearty appetite for flat-pack homes

Georgina Overell finds a strong market for all things period English

Christopher Heath has discovered that the hearty Japanese appetite for things English extends beyond the architecture.

"We find they do like English products. The show house has a lot of English oak furniture and now local stores stock the same style to supply demand," he says.

In Shirakawa there is an entire Elizabethan-style village, constructed by Hertfordshire-based Border Oak, using traditional building methods. It forms part of a university campus where students learn the English language and the English way of life.

Border Oak is hoping to build 300 Victorian-style homes in Tokyo. With houses selling at £85,000 to £95,000, the project

is worth £24m. The houses will all have Victorian-style fireplaces, baths, lights and tiles imported from UK suppliers.

Israel is also importing flat-pack timber framed houses. Prestoplan has provided a number of Tudor-style houses while Potton has produced a set of designs in an Israeli vernacular style that can be ordered by phone or fax, then manufactured and dispatched almost by return.

Kit form houses exported to Spain by Prestoplan are in the Spanish vernacular style. However, Potton hopes to build a development of Tudor and Georgian-style houses from its heritage range outside Madrid.

Individual houses from Potton's heritage range have already been exported to the

US, Cyprus, Luxembourg and France.

Potton Homes's most challenging project so far is in Russia where it plans to set up a factory and provide the know-how for the Russians to build their own timber-framed constructions using their vast forest resources.

It is also completing plans to build a hotel, as well as 12 show houses, outside Moscow. If the current plans are realised they will be worth an estimated £10m to the company. However, as John Blyde, chief executive of Potton Homes, explains, doing business in Russia has its problems.

"All sorts of things you don't expect are making life very difficult. The rules keep changing all the time, and I mean all

the time," says Blyde.

British firms are delighted by foreign enthusiasm for their products and are keen to emphasise the versatility of this building method.

"Timber-framed housing offers exactly the same advantages abroad as it does in the UK. That is: speed of construction, quality of build and ability to reduce dependency on on-site labour - all of those things," says Prestoplan's Malcolm Hockless.

**■ Border Oak, Hertfordshire.** tel: 01568-708732  
**Custom Homes International, Surrey.** tel: 01293-822898  
**Potton Homes, Bedfordshire.** tel: 01767-260343  
**Prestoplan Homes, Lancashire.** tel: 01772-637373

### Cadogan's Place

## Budget measures

The changes announced in the November budget are starting to come into effect. Here are some of the main points relevant to the property market.

□ Converting barns into residences becomes free of VAT, on the view that they count as new housing. This may boost a sector of the market extremely popular in the late 1980s, when barns offered "instant heritage" at a reasonable price. But planning authorities have become stricter about conversions and tend to favour proposals for turning them into light industrial, commercial or community premises rather than houses.

In Shropshire the Crown Estate is selling barns at Home Farm at Patshull, near Albrighton, for housing and light industry or tourism. Planning permission, good for five years, was given in 1987. As the Crown has made a start on the work, the planning per-

mission holds. Inquiries to Carter Jonas (01746-761 711).

□ In the new financial year, it will be easier to put money into property through an Enterprise Investment Scheme. This allows investment of up to £100,000 a year (with tax relief at 20 per cent) and full exemption from capital gains tax if the investment is held for five years. The purpose is to encourage development, which means that rental income is subject to normal income tax. One can also roll over capital gains, say from exercising share options, into an EIS without paying Capital Gains Tax.

Unlike the previous Business Expansion Scheme, which set a limit of £120,000 capital value on investment in London properties, there is now no limit. This allows groups to invest in prime properties. Buying agent Wilson & Wilson (0171-727 1977) will arrange EISs on a group or

individual basis. It will also buy and manage the properties.

□ Life is also easier for UK owners who have houses abroad that they let for part of the year. Knight Frank & Rutley points out. From April 6, owners can include interest on a loan to buy the house among their expenses to set against rental income. This applies to existing loans as well as future ones.

Owners will remain liable for foreign tax on the net rent (after subtracting interest and various expenses) but this becomes a credit against UK income tax.

□ And down on the farm, landowners will be able to qualify for 100 per cent relief from inheritance tax on let land (presently 50 per cent). Using the new system of farm business tenancies (starting on September 1) is essential. As it is easy for farmers to make good profits from taking on a few more fields, thanks to modern economies of scale, these changes may well result in the price of vacant land carrying on up to an average £2,000 an acre or more, suggests Christopher Wilson of Wilson & Wilson.

■ Those seeking to reduce their tax burdens might consider the tax-haven Channel Islands. On Guernsey, Haviland Hall is a superb Regency villa which looks as if it should be in Regents Park.

Its £7m price is of Regents Park proportions but, paying that, the new owner becomes a local resident and can enjoy all those mouthwatering tax advantages. Inquiries to KFR (0171-629 8171) or Shields in St Peter Port (01481-714 445).

■ A similar price (\$11m) is being sought for Arthingworth, a palace built in 1868 at Rancho Santa Fe in California. Outside, it is a Mediterranean villa. Inside, it is like a grand English country house. Rancho Santa Fe Properties (001-619-756 1113) and Rodeo Realty (001-310-858 8777) are selling this extravaganza - a modern competitor to William Randolph Hearst's castle.

Gerald Cadogan



Beach palace: Rancho Santa Fe can be yours for \$11m

### COUNTRY PROPERTY

**VIRGINIA PARK**  
VIRGINIA WATER - SURREY

**A CONTINUING STORY OF SUCCESS**

Two new exciting designs are now featured in this exclusive range of prestigious 4/5 bedroom Victorian style houses, all within a parkland setting. Excellent recreational and sporting facilities together with a high degree of security will be an integral part of this impressive scheme. Motorway access to Gatwick, Heathrow and London is an easy drive away and Waterloo is approximately 40 minutes by train.

**Prices from £260,000 - £380,000 freehold.**

A fully furnished showhouse is open every day from 10.00am to 5.00pm.  
Selling agent, Barton Wyatt, The Estate Office,  
Virginia Park, Virginia Water, Surrey.  
Tel: 01344 844622, for the brochures.

**AWARD WINNING HOMES FROM OCTACON**

**KING STABLE COURT - KING STABLE STREET - ETON**

**QUALITY HOMES IN A QUALITY LOCATION**

Located within 50 yards of the footbridge over the Thames into Windsor, you will find King Stable Court, a splendid development of 1 bedroom lift serviced apartments and 3 & 4 bedroom townhouses, some with balconies or conservatories and with views across to Windsor Castle.

Windsor offers a broad range of shops, delightful antique shops, theatre and two BR stations.

Telephone Berkeley Homes (Thames Valley) Limited on 01628 770070 for full details of this superb opportunity.

**Berkeley HOMES**  
QUALITY TO APPROPRIATE

**50% RESERVED**

1 bedroom apartments from £83,500  
3 & 4 bedroom townhouses from £206,000

**Alder King**

**SOUTH CORNWALL**  
Unsurpassed views to be seen from this contemporary house, which is protected by its own land. 2 reception rooms, fitted oak kitchen - dining room, 5 bedrooms, 2 bath/shower rooms. Heated swimming pool. Double and single garage. About 9 acres including paddock, woodland and stream.

**PRICE: £265,000**

Black Horse Agencies, Guildmaria Square, Marazion, Cornwall. 01326 230228

### FISHING

**CLUTTONS**

**SOUTH HAMPSHIRE NEAR ROMSEY**

For Sale as a Whole or in 2 Lots

24 acre lake providing high class coarse fishery. Approx 500 yds single bank fishing, together with 60 acres of additional land.

**ROMSEY OFFICE:**  
(01794) 522670  
EAX: (01794) 523142

**On the Instructions of the Nobility and the Gentry: Titles for Sale by Private Treaty**

**Baronies in England, Ireland and Scotland**

**Lordships of the Manor in:**

Bedfordshire, Berkshire, Buckinghamshire, Cambridgeshire, Cheshire, Cornwall, Cumbria, Derbyshire, Dorset, Hampshire, Hertfordshire, Isle of Wight, Jersey, Kent, Leicestershire, Lincolnshire, Norfolk, Northamptonshire, Northumberland, Nottinghamshire, Oxfordshire, Shropshire, Staffordshire, Suffolk, Yorkshire, Co Durham, Co. Roscommon.

**Manorial Auctioneers**  
104 Kennington Road  
London SE11 6RE

**£15 for a full catalogue**  
Tel: 0171 582 1588  
Fax: 0171 582 7022

We accept Access, Amex, Diners and Visa

**THE CONSTELLATION HOMES DIVIDEND COMPANY PLC**

The Directors seek offers for the assets of a Company set up under the Business Expansion Scheme to invest in residential properties let under Assured Tenancies.

The properties owned by the Company comprise 34 houses and 12 flats based in Sheffield which are now let under Assured Tenancies.

For further information please write, no later than 14 April 1995 to:  
**C Mammou**  
The Constellation Homes Dividend Company Plc  
Euro House, 131-133 Ballards Lane, Finchley, London N3 1LJ

**MARCHAND PETIT**

**SOUTH DEVON**

Wide selection of coastal and maritime properties around the Salcombe estuary and surrounding countryside, holiday flats from £37,500 to comfortable family houses with land and estuary views at £400,000.

Tel: 01548 857 588 Fax: 01548 857 587  
94 Fore Street, Kingsbridge, Devon TQ17 1PP

**RETIRE IN ESMWORTH**  
Hampshire from £45,000

**Unquestionably "the finest value on the South Coast".**

A few remaining one bedroom flats available in Avalon Court with resident manager and many desirable features.

**CALL**  
**FLUETWAY PROPERTIES PLC**  
NOW FOR A BROCHURE:  
0171 235 8124

### LONDON PROPERTY

**DTZ Debenham Thorpe**

**MONKWELL SQUARE, LONDON WALL, EC2**

A new and exclusive development providing some of the finest residential accommodation in the heart of the City.

A spacious and bright new 1 bedroom apartment remains available. Ideal as London base/pied a terre.

**£155,000**

Joint Sole Agent Knight Frank & Rutley  
Tel: 0171 480 6948

**barnard marcis**

**BARBICAN, EC2**  
Small studio. Pk block. £56,000. Large studio overlooking gardens £65,000.

**BLACKFRIARS BRIDGE, NEAR**  
2nd floor, 2 bedroom (double) flat. Lift, parking, £97,000.

Tel: 071 636 2736 Fax: 071 436 2649  
26 Museum St., London WC1A 1JT

**PROPERTY INVESTMENT?** We identify the best opportunities for you throughout central London and also in the City of Westminster. We provide a complete package service: Acquisition, Finance, Furnishing, Letting and Management. Telephone Malcolm Wilson International on 071 493 4261 or Fax 071 493 4319

**FULL REFURBISHMENT SERVICE.** Extensive experience with full project management service designed to save money and time. Call The Groundwell Partnership NOW! 0595 649553 or Fax (0181) 224 5716.

**LONDON RENTALS**

**FERADA ASSOCIATES LIMITED**

**PRESTIGE PROPERTIES IN PRIME PLACES**  
**KENSINGTON:** Spacious ground floor newly decorated two double bedroom flat. Reception with high ceilings & fireplace. Fully fitted kitchen. Bathroom and shower room. Good storage. Rev. parking. Close all transport and facilities. £410pw. Long corporate let.

**KNOTTSBRIDGE:** Luxury one bedroom flat in portered block. Reception with fireplace. Bath & Shower. Fully fitted kitchen. New decor and furniture. CUPB CH & CTV inc. We specialise in UNFURNISHED Flats and Houses.

Tel: 071 409 7822 Fax: 071 409 3442

**LONDON RENTALS**

**DTZ Debenham Thorpe**

**HYDE PARK GARDENS MEWS, W2**  
A beautifully presented, newly refurbished seven house situated in this delightful residential area close to Hyde Park. Hall, Reception Room, Kitchen/Breakfast Room, 4 bedrooms, 2 Bathrooms (1 En-suite), £650 pw. Unfurnished.

**HILL STREET, MAYFAIR**  
A very spacious furnished maisonette, providing good sized flexible accommodation. 3 Reception, 4 Bedrooms, 3 Bathrooms, Kitchen/Breakfast Room, Utility, Cloakroom. Garage available by separate negotiation £850 pw.

Residential Lettings: 0171 488 2748  
Fax: 0171 488 2768

**Winkworth**

**Pansey Heath**  
Luxury 5 bedroom, 2 bathroom house in quiet road close to Pansey Heath. Beautifully furnished. Dining room, Study, dining area. Large highland kitchen. Double garage.

Winkworth  
Tel: 0181 788 9295 Fax: 0181 788 6442

**KENSINGTON/CENTRAL LONDON** Largest selection of quality properties, £180-£500pw. From 3 to 9 yns. Chard Associates. 071 726 0752. 10-7pm

**COUNTRY RENTALS**

**OZON, character cottage 4 bedrooms, 2 bath. Fully furnished. Phone or fax 01298 770514**

**KENT, ELHAM.**  
Detached village house  
5 miles from Channel Tunnel.  
Easy access to M20 & A2  
3 beds, oil CH, mature gdns, garage, rural views.

**£135,000**  
Tel: 01303 840689

**WATERMILL**  
(Converted 1970's)  
North Bucks.  
Conservation area. ALSO BARN, 3200 Sq ft. With B1 and residential permissions.  
Access M1, M40.  
Total freehold 9 acres.  
O.I.R.O. £525,000  
Tel: (01280) 813210

**CLUTTONS**

**SOUTH HAMPSHIRE NEAR ROMSEY**

For Sale as a Whole or in 2 Lots

24 acre lake providing high class coarse fishery. Approx 500 yds single bank fishing, together with 60 acres of additional land.

**ROMSEY OFFICE:**  
(01794) 522670  
EAX: (01794) 523142

0171 235 8124



## OUTDOORS

# Fish are simply a steal for British seals

Fishermen face a competitor which recognises no quotas. Michael Wigan reports on their rising anger

The second-most emotive word in British fishing communities after "Spain" is "seal". Fishermen believe that seals consume 240,000 tonnes of fish a year, more than the whole of the North Sea and West Coast quota catch (194,000 tonnes in 1994) under the Common Fisheries Policy.

The figure is conservative, assuming a population of 100,000 adult seals; the top end fishermen's guesstimate for the grey seal population is 150,000. We are, say the fishermen, fishing to feed seals not people.

In the past two years the situation has got worse. Fishermen believe seals are now so numerous they are starving. The evidence for this is their willingness to eat new species of fish such as dogfish and gurnard, their increasing fearlessness of fishing boats, which they follow out to sea when the nets are set, and the manifestly burgeoning population.

Salmon and seatrout netman Colin Warwick, also chairman of the Northumberland Sea Fisheries Committee, described what happens when he goes to work. He uses a yard long leader, weighted to the bottom, opens into a diamond-shape where the fish are trapped. "When a fish touches the net," he says, "it's a race to see who gets there first." The seal, eyeing the boat leaving port, frequently whips in and eats the salmon before the fisherman can act. "Seals have learnt how to fish the nets better than we have," he says ruefully.

This account is confirmed by Peter Donald, of the Ardnath Fishermen's Federation. He says 1994 was particularly bad, citing one fisherman who only

managed to land half a box (25 kilos), or a third of his net-full of cod, with seals taking the rest.

The inshore fishing boats, around 30 ft long with a crew of two, are in close proximity to the large mammals, and often watch their nets being shredded at close range.

Peter Donald says that whereas previously seals just ate parts of the fish, nowadays only the heads are left in the

**The last attempted seal cull in Orkney was abandoned, with women screaming 'Nazis'**

nets. They are also robbing nets at greater depths than before, down to 130ft.

A study in Orkney commissioned by the government's nature agency in Scotland, Scottish Natural Heritage, showed that seals are now wise to lobster-pot construction and have learnt how to untangle the clasps and steal the bait, a story corroborated by shell fishermen round the coast.

Fishermen's disenchantment with these rival hunters is an old chestnut. They say their problems are exacerbated today because Common Fisheries Policy politics are drawing the net round the last numerous species, the sea fishermen themselves.

The other difference today is that the grey seal population, rising since the last war, is

reaching levels which are causing even green heads to ponder. Seals, after all, are the largest and hungriest common mammal in European waters. The excellence of seal products is well known: seal leather is among the most durable of all.

Seal numbers have come to the attention of the European Parliament which has commissioned a three-year study, led by the Irish Sea Fisheries Board scientist, Claran Crumme, on the interaction between seals and fishermen's livelihoods. It reports in two years.

What incenses British fishermen is the attitude and methodology of the organisation set up in 1977 to study seals and report to the government on its findings. This is the Cambridge-based Sea Mammal Research Unit.

The SMRU is increasingly under fire from fishermen and other scientists. Its only point of agreement with fishermen is that the grey seal population totals more than 100,000. The SMRU figure is 110,000, growing annually by five to eight per cent. The rate of increase, admits Callan Duck, head of censusing, has been getting faster in the 1980s and 1990s.

Islands have been colonised by seals as humans have departed, the best example being the Monks, off the Hebrides. Duck concedes that his surveying, which is performed aerially when seals come on to land in September to November, is inadequate for Shetland, where seals are hidden under high cliffs and in narrow inlets. In Northern Ireland, no recent counts have been made. His use of "dynamic computer modelling", which can have the effect of reducing earlier figures retrospectively, causes



Seals are now so numerous that some could be starving to death

suspicion: Duck admits its success is a "moot point" with fishermen.

However, it is on diet that the principal disagreement flares up. SMRU scientists claim that the main diet of seals are sandeels, the pencil-shaped, small, oil-rich multitubed fish which burrow into the sand in winter. They are classed as an "industrial" species and are therefore outside CFP quotas.

Dr Phil Hammond, of SMRU, estimates that the North Sea grey seal population, 40 per cent of the total British number, eats 75,000 tonnes of fish a year, of which 38,000 tonnes

are sandeels. The second favourite dietary component is cod, at 10,500 tonnes.

Hammond maintains seals do not eat salmon, a statement which renders salmon fishermen apoplectic.

They say half their time is spent fighting seals out of salmon nets.

Government scientists assess diet by studying droppings - salmon ear-bones, or otoliths are absent from the droppings. Fishermen maintain, with support from other scientists, that salmon otoliths are not found in seal droppings because they have been fully digested. They say sandeel remains are found

because the little fish are indigestible.

The SMRU statements on diet have, in one scientist's words, "gotten the backs up of every fisherman in Europe".

The clash is especially acute because two novel methods of assessing dietary components now exist: a Canadian one which analyses fatty acids found in seals, which are in unique combinations in each species of fish; and developing Scottish work which examines proteins and bony parts and, similarly, can identify dietary sources.

Seals are Britain's most politicised animal. Roddie McColl, chairman of the fishermen's seal committee, says: "Seals make a lot of money for environmentalists."

The last attempt at a seal cull in Orkney in 1979 was abandoned when screaming women armed with babies

coaxed the beach shouting "Nazis" at the marksmen. Officials shudder at the thought of tackling the sacred totem again.

The first sign that a growing population has reached a natural peak is when the rate of juvenile recruitment slackens. This happened in 1993, although the SMRU does not say by how much. Three consecutive years of such figures

would mean, in scientific terms, the population had reached its natural carrying capacity. Such a finding would intensify calls for seals to be managed, as other species are. Fishermen would plainly be taking the brunt of their expansion.

There are increasing demands for "industrial" fish, such as sandeels, Norway pout and sprats - to be managed.

It would therefore look more and more incongruous if only the grey seal, known to have a major impact on fish stocks, were exempted from scientific management.

## INTERNATIONAL PROPERTY

## FOR SALE - BRUSSELS

20 MIN. FROM BRUSSELS, NEXT TO "LOUVAIN LA NEUVE"

3 Apartments of 2 rooms - €66,000 each, VAT 12.5%

Potential Rental Income: €5,300 - Availability: 2 months

2 Houses Excellent Quality - €136,500 each, VAT 20.5%

Potential Rental Income: €10,900 - Availability: 4 months

Contact: SATEC - BELGIUM

Fax: 32 81 73 95 40 Tel: 32 81 73 40 57

## MONTE-CARLO

MICHELANGELO (Fontvieille)

One bedroom apartment

71 sq.m., equipped kitchen, terrace, parking space -

FF 3,100,000 (72)

AGEDI

79 Bd des Moulins MC 98000 Monaco

Tel: 33-92 165 959 Fax: 33-93 301 942

## 50' East Park &amp; Madison

Industrial Magnate's Home

Scottish Castle Ceilings

All original detail, historical five

story single family elevator

Townhouse, 20ft. Wide

ca 8,000 sq. ft. state-of-the-art

mechanical systems, restaurant

kitchen, landmark garden,

magnificent trees large set-back

terraces. Perfectly balanced

grandeur & comfort.

Exclusive Broker

Lewis Apito

Tel: USA (212) 309-1357

or Fax: (212) 949-7473

FEATHERED NEST

## SOUTHERN SPAIN

A unique leisure and residential development

incorporating a World Class 18

Hole Links Golf Course. Breathtaking

coastal views of north Africa

and Gibraltar. Just two beaches: 4 Bed

Villas from £177,500. Within the village

two 3 bed Villas from £110,000 and two

2 Bed Town Houses from £84,544.

Telephone anytime UK (01273)

706995 Facsimile (01273) 689921

SWITZERLAND

Lake Geneva & Mountain resorts

You can own a quality APARTMENT

CHALET in MONTREUX, VILLARS

LES DIABLETETS, LEYSA, GRAYAND

Valley, CRANESMONTAIN, VERBER

res. From SFr. 200,000 - Credit facilities

REVA S.A.

36, rue de l'Industrie - CH-1211 GENEVE 2

Switzerland Tel: 01 22 724 15 40 Fax: 01 22 724 15 20

COTE D'AZUR 25 minutes from Nice airport,

proximity with large seafront and 4

bedrooms. 2500sqm land with large pool,

views. Only 2,100,000 FF. Fax:

0033 04 93 84 14 14 Tel: 0033 04 93 84 14 14

GREENE - TWO APARTMENTS FOR SALE:

(1st) in Athens, residential area, and a 2nd

apartment in the sea (Paphos). Contact: Chris

Atkinson, 48 Old Bus, 1288

Coppell, Switzerland. Tel: 01 22 775 85 24.

## MOTORS

ROLLS ROYCE

FOR HIRE

Chauffeur driven.

Special events.

Airports. Hourly or daily.

Tel: 0171 511 4145.

## Motoring / Stuart Marshall

## Honda's Civic duty

The company's latest model makes quality available at an affordable price

This week, Honda's new Civic five-door became the best buy in the most price competitive sector of Britain's car market.

The £11,495 Civic 1.6i is £245 cheaper than its Ford counterpart, the Escort LX, despite having twin airbags, power-operated sunroof and wood (actually mock wood, but very realistic it is) interior trim that would not look out of place in a Rover.

Honda says the 1.6i LS version of the Civic, which costs £13,145, undercuts the comparable Vauxhall Astra CD by £130, and the top Civic SR (on sale in Britain from May) is £400 cheaper than a Volvo 440 GLT.

Honda even claims the 58mpg (4.87/100km) consumption at a constant 56mph (90kph) achieved by the £11,795 Civic 1.5i's advanced VTEC engine with variable valve operation matches the fuel economy of a Ford Escort 1.8 TD LX diesel costing £640 more.

Whether Honda's claim that the VTEC petrol engine is as economical as a diesel engine stands up in the real world of



Wheel deal: the top-range Civic 1.6i SR beats its rivals on price by as much as £400

traffic driving and frequent cold starts remains to be seen. What is in no doubt is that any of the new Civics provides family motorists with an opportunity to buy Honda's renowned quality at a newly affordable price. Honda reckons many of the 10,000 Civics it hopes to sell in Britain this year will be company cars. Fleet buyers have a keen nose for high residual values, reliability and build quality. The fact that the Civic is British built - the factory near Swindon also makes the larger Accord - will be the clincher.

Last year I drove 1.4-litre and 1.6-litre Civics in Madeira, where the roads are mainly narrow, steep, winding and far from smooth. The Civics rode well, had pleasantly light power steering, cornered most competently, and on the short stretch of semi-motorway to the airport, hummed along with typical Honda slickness. Driver and front passenger do well for head, leg, hip and shoulder room. The back seats are not quite so spacious but the tailgate lifts to reveal a generous load area.

The VTEC engine has a dual personality, and the secret of this is the valve operating system. Driven gently it is a "lean burn" unit, running economically on a weaker than normal mixture of petrol and air, with a green light showing on the fascia to confirm the fuel saving. Accelerate hard, and the performance boost as the valve operation changes feels something like a turbocharger cutting in.

The Civic replaces the former Honda Concerto. This was the car on which Rover (Honda's erstwhile partner) based the 200 and 400 series models. It will not be long before they are succeeded by a Roverised version of the new Civic.

## In praise of a threatened species

If any estate car has a higher social standing than a Volvo 960, it has to be a Mercedes-Benz E300. Earlier this month I drove one to Geneva and back, a trip of more than 1200 miles (1930km) on autoroutes and "N" and "D" roads, though no mountain passes. Both the Col de la Faucille and Col de la Givrine were so snowy that only 4x4s and cars with tyre chains were allowed over them and I had to go the long way round by autoroute.

It is an open secret that the mid-sized E-class Mercedes-Benz saloons and estates are in line for replacement. I suppose the E-class cars - now more than 10 years old - are beginning to show their age. But to me they enshrine all the marque's traditional virtues. They have battle tank solidity, the mechanical refine-

ment of the chairman's limousine, and handling that is not in the least sporting but inspires total confidence.

The 3-litre, 6-cylinder, 24-valve diesel engine of the one I drove to Geneva muttered softly at tick-over, was as quiet as an illicit 100mph (161kph) as it was at 70mph (113kph) and gave almost 29mpg (9.7/100 km). For a large, automatic estate, well loaded and cruised fast, I rated this most acceptable. Not having a turbocharger, its acceleration is less than kick-in-the-

back but still more than adequate for people with a mature attitude to driving.

I would advise anyone taking a diesel to France to fill up at supermarkets, where *gazole* is up to 50 centimes per litre cheaper than at autoroute service areas - a saving of more than FF2.5 (about 32p) per gallon, or 55 pence per tank for a large car like the E-class. Like practically every retail outlet in France they take credit cards, which at least delays the shock of an ever more lacklustre exchange rate. And if you are planning to make your first long journey by autoroute in France for a year or two, budget for tolls being much higher than they were last time. For my return journey to Geneva via Reims, Troyes and Macon I paid FF564, or a little over £72.

But avoid, as I did, the Paris *periphérique*, with its non-existent lane discipline and packs of kamikaze motor cyclists. You will find France is still a wonderful country to motor and eat in, even if it is not as good value as it used to be.



Smooth operator: Mercedes-Benz E-class models 'enshrine all the marque's traditional virtues'



## TRAVEL

## Go wild in the country

Michael J Woods witnesses life and death in Argentina's haunting nature reserves

Three grey foxes, a vixen and two part-grown cubs, trotted nonchalantly into the road and began to drink from a puddle left from the previous night's rain. I stopped the car and watched as they lapped the water, the early morning light giving their outline a blurred glow. Then they disappeared into the scrub of the flat Patagonian Steppes. Any standing water in the semi-desert of the Peninsula Valdes tends to be brackish, so that a puddle of fresh rain-water must have been a treat for them.

This peninsula, just a tiny pimple on the map halfway down the coast of Argentina, about the size of Cornwall, is noted for its sea mammals, particularly its orcas which, in the austral autumn, come on to the seasonal breeding beaches to take part-grown pups.

Although accessible only along gravel roads through miles of empty scrub, the Valdes' wildlife sites are remarkably popular and carefully controlled. The birds on the Islas de Los Pajaros in the Golfo San José, for instance, may be watched only from the mainland shore, where powerful binoculars are provided for visitors.

I studied breeding sea-lions for more than an hour from a wide ledge part way down the cliffs overlooking the Golfo Nuevo. While

there was constant action, the viewing was not for the squeamish. Below me about 200 animals in two groups were sprawled over a rocky shelf perhaps a dozen feet above the sea. Although they were safe there from marauding orcas, such security has its price.

Three young pups had fallen off the shelf into the sea and had climbed out on to a small ledge at water level. But, in spite of repeated attempts, they were unable to clamber up the slippery rocks to reach their mothers. The pathetic cries of these doomed animals came to me on the breeze.

The bulls had amassed harems and were forever fending off rivals with gaping mouths accompanied by roars and groans while, all around them, tiny pups bleated like lost lambs. Already several had formed a crèche safely away from the reckless lunges of their 600lb fathers and were lying asleep in the sunshine. Meanwhile a frustrated young male, unable to obtain a harem of his own, repeatedly swung a small baby by the scruff of its neck and tossed it on to the rocks until it struggled no more.

It is the bodies and particularly the bones of marine mammals such as these which interest Natalie Goodall who lives at Estancia Haberton, the oldest ranch in Tierra del Fuego, a two hour flight away on the country's southernmost tip.

This 50,000 acre estancia was established in the late 19th century by Thomas Bridges, a Bristol orphan, and stands today much as he built it then. The main house was constructed from a prefabricated kit brought to Argentina by ship. Somehow the plans were lost during the 18-month voyage and the

**The bulls had amassed harems and were forever fighting off rivals**

house was subsequently pieced together by guess-work. But the white building looks none the worse. It is surrounded by a colourful cottage garden, vibrant with lupins and honeysuckle on the shore of what could easily be a Scottish loch.

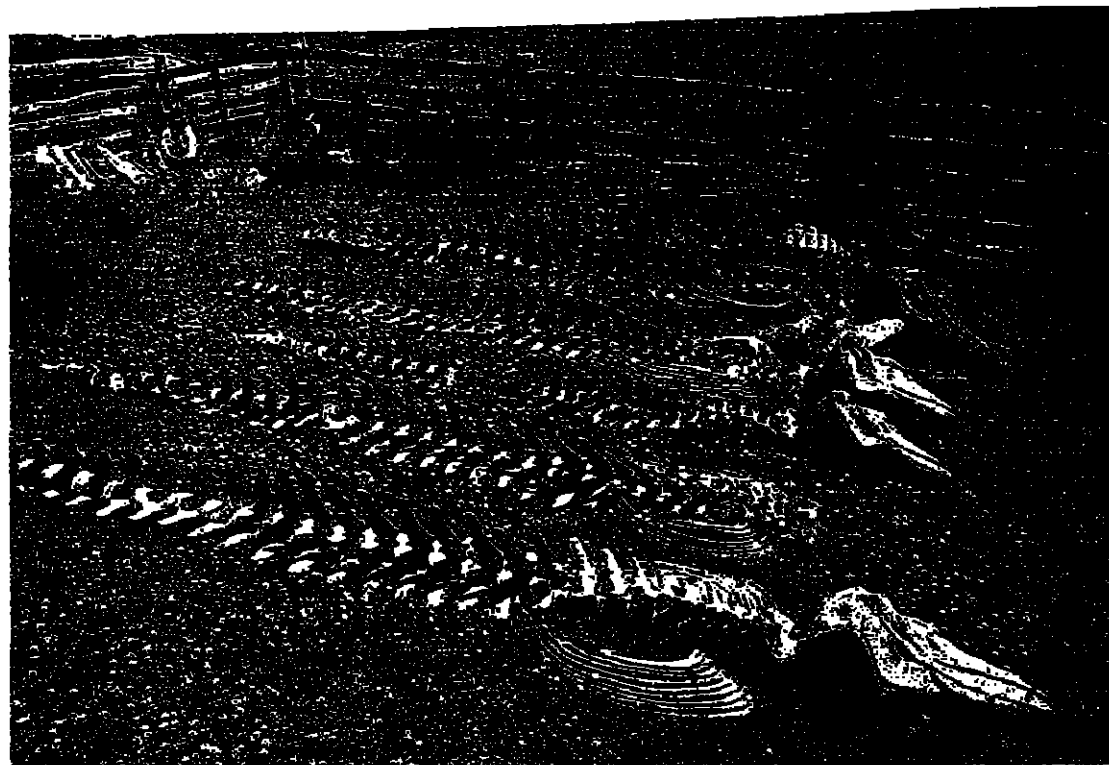
Natalie Goodall, the wife of Thomas Bridges' grandson, employs zoology students to work in her "bone house", situated a discreet distance from the other buildings. Here they boil clean the bones of some 90 or so whale, seal and dolphin corpses she has collected during the previous year, and then

reconstruct them for display and research purposes. Until recently, the estancia was accessible only by boat. Even now the road from Ushuala, which winds between snow-covered peaks through open glades of tall beeches and over streams, is slow and rough; the sheep produced there still leave by sea.

Argentina is a vast country; almost as far to the north as the distance from the Sahara to the Shetlands, I stayed on another estancia, La Villa Juana Francisca, set among wide rolling grasslands. From here I was driven by the owner, Jens Fava, to the Reserva Natural Provincial de Ibera in the Corrientes region.

This is a little-known wetland reserve more than 120 miles long, which is centred on the Ibera Lagoon, a lake so large that by mid-day the trunks of trees on the far bank had disappeared in the heat and their tops seemed to hover like bubbles on the horizon. Floating on the lake are islands - camalotes - some of which are large enough to support trees and which move around in the wind so that open water one day can be dry land the next.

We motored in an aluminium boat along narrow channels into a wetland teeming with life. Cormorants dived for fish, while herons and egrets paced the margins, swal-



Tierra del Fuego: some of the bleached skeletons of various sea mammals collected at Estancia Haberton for research

lows and martins hawked low over the water for insects and lily trollers sped over floating lily pads picking up titbits here and there.

Pushing into the reeds we came to a rustling stop and were quickly aware of two black caymans swimming menacingly towards the boat. It was not us they were after, however, but a treat from the boatman who fed them with a silvery relative of the piranha.

At dusk we walked on one of the islands which rippled underfoot like

a curtain caught in a draught. We had good views of a marsh deer buck with dark eyes and fine antlers before it slipped into the reeds. I was able to approach within six feet of a capybara, a sheep-sized guinea pig and the world's largest rodent, which continued to graze without concern.

Back at the estancia, Jens took me out at first light on the following day. Throughout his pastures there were the holes of viscachas, relatives of the chinchilla, which

carry dry cow pats, sticks and pieces of wire to pile up at their warrens. I knew why the grey foxes drank from puddles on the tarmac but why do viscachas collect rubbish?

Michael Woods flew to Argentina with British Airways and details of their flights are available from 0845 222111. His trip to discover the wildlife there was arranged by Cox and Kings who are Latin American specialists: 45 Buckingham Gate, London SW1E 6AF; tel 0171-873 5001.

**Unicorn Holidays**

Spain, Portugal & France

Paradise - Paradise - Paradise

Tailor-made holidays staying at special hotels.

- Paradise
- Paradise
- Paradise
- Chateaux Hotels
- 4 & 5 star Hotels

For brochure and advice **01592 85 4400**

CAA 2431 ATTO ARTA 9798

**EXPLORE**

Small group exploratory holidays

Unique adventures to remote destinations. Cultural tours, wildlife, river journeys, treks, wildlife, ethnic encounters.

In 80 countries worldwide. Europe, Africa, Asia, Australasia, Middle East, Americas.

For superb colour brochure contact: Explore Worldwide (FT), Aldershot, GU11 1LQ

Tel: 01252 344161. 24 hrs ATOL/ATO Bonded

**Travel**

**1995**

**Brochure Guide**

**Camper & Nicholson's**, the world's leading yachting company, have an unrivalled selection of fine yachts for charter in the Mediterranean this summer. Call today for your copy of the Camper & Nicholson's World Charter Annual.

**Cornwall Tourist Board**

Spring Breaks. Uncovered walks, unspoiled views and unspoiled enjoyment. You'll enjoy the best of Cornwall during a Spring break. Discover Cornwall's Celtic History - its myths, legends and ancient sites. Play golf on a magnificent course, take a themed break with us to help you pot or paint, stroll through colourful gardens, or simply lose away the days.

Cornwall's tranquil fishing villages and fascinating resort towns provide a wide choice of comfortable accommodation.

Free Spring guide - Cornwall Tourist Board, Dept 10 - 59 Looe Street, Truro, Cornwall, TR1 2SY.

**COX & KINGS**

**SHORT BREAKS**

Worldwide city breaks, country breaks, special interest and special event weekends. Prices from £230 for 2 nights in Brussels with flights.

Telephone 0171-873-5005

**The World of Cox & Kings**

Specialist group and individual tours from the world's oldest travel company. Enjoy the wonders of India, the Middle East and Latin America.

Telephone 0171-873-5000

**RELAIS & CHATEAUX**

The International Guide features 406 of the World's finest hotels and restaurants (£50p). Discover 200 individually developed programmes worldwide from Gourmet Extravaganzas to African Safaris, in the first Relais & Châteaux Magazine for the "Connoisseur Traveller".

For a free copy call 0171 287 0987 or fax 0171 437 0241

Beach Clubhotels in the Mediterranean with everything included in the price. Accommodation, flights, water sports, children's facilities, three meals a day and wine, tennis and other Club activities.

GREECE - ITALY - SARDINIA - CORSICA - TURKEY

Telephone: 0171 393 3131

Brochure line: 0171 393 0094

**THE EUROPEAN PORTFOLIO**

Elegant Resorts new collection of the very best luxury hotels and resorts in France, Italy, Spain, Portugal includes short city breaks, luxury sailing, the Orient Express.

CALL 01244 350461

**French and Italian Expressions**

**10 HOTEL HOLIDAYS OF QUALITY**

Long stays, touring holidays, short breaks and tailor-made holidays to over 100 hotels of charm, prestige and character. From country inn to water-mill, from chateau to grand hotel. Travel by air, ferry or motorail included. (ATOL 3076, AITO Trust 1042).

Tel: 0171-794 1480

**Worldwide Journeys** specialise in small group and tailor-made travel, safaris and treks throughout the world, and we pride ourselves on our expert knowledge and personal service.

For our 1995 brochure please contact: Worldwide Journeys & Expeditions 8 Comeragh Road London W14 9HP

Tel: 0171 381 8638 Fax: 0171 381 0836

**Tim Best Travel**

INDIVIDUAL ITINERARIES

TRADITIONAL SAFARIS & WALKING, RIDING, CANOEING GOLF IN THE SUN RELAXING AT THE COAST

68 Old Brompton Road, London SW7 3LQ

Tel: 0171 591 0308 Fax: 0171 591 0301

**Chez Nous**

Save money - book direct!

1500 private owners advertise: chateaux, villas & farmhouses, many with pools, family hotels, apartments, B&Bs, spec. int. hols. All Regions of France

Tel: 01 484 682 503

**Bermuda**

The last, truly civilised place on Earth

Discover this lush semi-tropical island surrounded by pink sand beaches and turquoise seas - with an excellent choice of hotels, superb golf courses, exciting deep-sea fishing and more from £1,035pp for 7 nights.

Ask for the Caribbean Connection and Bermuda brochures now on 01244 329556

PLEASE QUOTE FT95

**Sunsail**

SUNSAIL operates eight superb beach clubs in Greece and Turkey. Each club offers a wide selection of watersports activities including Windsurfing, Dinghies, Yachting, Waterskiing, Canoeing, Club Flotilla, Sailing Tutorials, Children's Clubs, Snorkelling and Diving.

There's also plenty to do for those who wish to relax in our comfortable club atmosphere ashore.

Ring for 1995 colour brochure (01705) 210345 (24 hrs)

Sunsail Ltd, ABTA 36996 ATOL 987 IATA ABC

**Sunsail**

Sunsail worldwide leaders in sailing holidays offer Flotilla, Bareboat and Skippered sailing in the Mediterranean, Caribbean, Bahamas, Thailand, Australia, New Zealand the Canaries, France and the U.K. in a fleet of over 650 yachts.

Sunsail's Charter fleet is one of the most modern available in the World.

Ring for 1995 colour brochure (01705) 210345 (24 hrs)

Sunsail Ltd, ABTA 36996 ATOL 987 IATA ABC

## TRAVEL BROCHURE GUIDE ORDER FORM

Please tick the appropriate box for the travel brochures you would like to receive, enter your own name and address and then send or fax this coupon to the address shown. Replies must be received no later than 25 April 1995.

- |                               |                          |                                    |                          |
|-------------------------------|--------------------------|------------------------------------|--------------------------|
| 1. Unicorn Holidays           | <input type="checkbox"/> | 9. Elegant Resorts                 | <input type="checkbox"/> |
| 2. Explore Worldwide          | <input type="checkbox"/> | 10. French and Italian Expressions | <input type="checkbox"/> |
| 3. Camper & Nicholson's       | <input type="checkbox"/> | 11. Worldwide Journeys             | <input type="checkbox"/> |
| 4. Cornwall Tourist Board     | <input type="checkbox"/> | 12. Tim Best Travel                | <input type="checkbox"/> |
| 5. Cox & Kings - Short Breaks | <input type="checkbox"/> | 13. Chez Nous                      | <input type="checkbox"/> |
| 6. The World of Cox & Kings   | <input type="checkbox"/> | 14. Caribbean Connection           | <input type="checkbox"/> |
| 7. Relais & Chateaux          | <input type="checkbox"/> | 15. Sunsail Clubs                  | <input type="checkbox"/> |
| 8. Mark Warner                | <input type="checkbox"/> | 16. Sunsail Sailing Holidays       | <input type="checkbox"/> |

TITLE..... INITIAL..... SURNAME.....

ADDRESS.....

..... POSTCODE.....

DAYTIME TELEPHONE:.....

**WEEKEND FT**  
**TRAVEL BROCHURE SERVICE**  
 (Ref 7/95) Capacity House,  
 2-6 Rothsay Street, London SE1 4UD.  
 Fax No: 071 357 6065

The information you provide will be held by the Financial Times and may be used to keep you informed of FT products and by other selected companies for mailing list purposes. The FT is registered under the Data Protection Act 1984. Financial Times, Number One Southwark Bridge, London SE1 9HL. Please tick this box if you do not wish to receive any further information from the FT Group or companies approved by the FT Group. ☐

June 1995



**Nigel Andrews** discovers how Minnesotans turn inside into outside to cope with the white hell of winter

**Minneapolis** may be a twin city, but it is hardly joined at the hip. To see it you get in your rented Chevvy, turn right and take the six-mile drive towards the tower-bris-

**Cold? You  
have never  
experienced  
it before.  
Charm?  
They have a  
talent for  
homeliness**

Their talent is for taking the appalling and make it homely, charming. In the logging town of Taylor's Falls, my furthest-north driving point up the St Croix (which joins the Mississippi at St Paul), the ancient jail has been turned into a bed and breakfast. And in the local museum across the river there is a terrifying display-table covered with old animal skulls, claws, talons, dried snakes - and a bizarrely welcoming sign saying "Please touch".

I nodded politely and tried to work out what this meant, but gave up. Enough that it is authentically Minnesotan: rugged, runic, wistful, at once welcoming and unknowable.

The population of Minnesota is 4.5m. It looked to me as if only a few hundred were still left outside, guarding the rest of the state. I won

greenery - trees, shrubs, flowers - designed to turn "Inside" into a pretty, Rousseau-esque "Outside". Minnesota has to do that. "Outside" is such a formidable prospect for most of the year. Citizens can

Also here is the first private house ever built in Minneapolis. Or so the sign says. It belonged to John H Stevens, who in the 1850s was seconded to river ferryman duties from Fort Snelling, the military HQ

live in another world: one where size varies according to mood, time of day or tourist mandates. At the same time, as they say, size doesn't really matter. It is what you do with what you've got. And Minneso-



After dinner, with the Little

from now be making a special trip to Prague and Dresden from London for Easter 1995, and will also make two visits to the city from Venice via Vienna to London, leaving Venice June 14 1995 and August 30 1995. For

**FLIGHTS**

Don't miss this opportunity to see what's going on in the world outside your city's limits. All these listed are where from London (Chicago from who carry out subject to availability and differing travel agents. Local travel agents are available.

**0171 637 7853**

**IRELAND**

**VILLAS**  
FARMHOUSE BY THE SEA Tuscany

coast, Monte Argentario, almost an island. Marvellous sea views, 5 min walk down to unspoilt beach, 90 mins. North of Rome. Tel: 0181 994 2958 Fax: 0181 747 8343

**WILDLIFE.**  
**A**BERCROMBIE & KENT  
OFFERS YOU THE FINEST  
EXPEDITION SHIP AFLOAT  
TO DISCOVER THE  
WONDER OF ANTARCTICA.  
BUILT SPECIFICALLY FOR  
POLAR WATERS.

**FALKLANDS AND SOUTH  
GEORGIA INCLUDED ON  
THE LONGER VOYAGES.  
PRICES FROM £3995.**

**FOR DETAILS CALL  
0171 730 9600.**

**2&K**

**Abercrombie & Kent**  
Simply the best way to travel.  
SLOANE SQUARE HOUSE,  
HOLBORN PLACE,  
LONDON SW1W 0NS

ASTA V 7047


ATOL 2082

**SAFARI**

**LOVE OF AFRICA?**


Botswana • Namibia • Zambia • Zimbabwe • South Africa  
Malawi • Kenya • Tanzania

*Small personal camps and lodges or exclusive group safaris in remote wilderness areas*



ASTA 0240

It's raining in London and there's a train strike - who'd have thought it?



TEL: 0171 376 3746

**CHINA**

**REQUIMA**

Major-made/inclusive holidays  
Variety of luxury accommodation

**PRICE  
PLEDGE**

Find any identical  
luxury holiday offer  
anywhere else and  
we will beat it!

TELEPHONE FOR A COPY OF OUR  
FABULOUS 34-PAGE BROCHURE

**Cadogan**

**0800 591281**

ANTA 17726 ATOL 076

**FINANCIAL TERMS**

While care is taken to establish that our customers are qualified to obtain credit, we recommend to take their own precautions before entering into any agreement.

**ASTA  
PRESS  
DATA  
ATOL  
2077**



**0181 429 2900**

SEAN HALL, 00355  
SEAN HALL, 00355  
SEAN HALL, 00355

|           |      |
|-----------|------|
| Orsingen  | £80  |
| Praxent   | £80  |
| Hamburg   | £100 |
| Mannover  | £115 |
| Munich    | £90  |
| Garmisch  | £110 |
| Auerberg  | £140 |
| Palteberg | £110 |
| Stuttart  | £120 |
| Leipzig   | £120 |

1



## SPORT

## Motor Racing

# Why Formula 1 is suffering fun failure

Grand Prix needs dash and wit, says John Griffiths

Some muffled mirth could be heard in rival pits during pre-season Grand Prix testing at Estoril a few days ago, as the full predicament of the Marlboro McLaren-Mercedes team became clear. But titters at the McLaren fiasco which has squeezed Nigel Mansell out of the driving seat for tomorrow's season-opening Brazilian Grand Prix quickly evaporated. Even the uncharitable, it seems, felt McLaren chief Ron Dennis and his formidable team didn't deserve this kind of ego-deflation.

What is there to say when a budget of more than £50 million, specifically for the purpose of priming a few hi-tech cars in the race for the Formula One world championship, fails to ensure a cockpit can accommodate its top driver?

The former world champion, not noted for his reluctance to complain about perceived shortcomings in the teams which have employed him, is staying surprisingly calm. Indeed, the pained silence from Stuttgart has been palpable.

This, Mercedes has been hoping after several seasons providing engines for the Swiss Sauber team, would be the year of the three-pointed star shining over F1 with a brilliance not seen for decades. In truth, the cockpit debacle should not have happened - and McLaren now admits it. Mansell may have been a late, reluctant signing by Dennis (the deal was not done until early February), but Mansell, has always been broader in the shoulders than his colleagues.

In any case, Mansell and Dennis had been playing contract footsie from late last year when it became clear that Dennis could not have his preferred driver. David Coulthard (now Damon Hill's team-mate at Williams-Renault).

It would have been prudent, to say the least, for Mansell to have received a thorough test fitting of the McLaren MP4/10, an all-new design to comply with this year's 3-litre formula. His cockpit had originally been designed around the slighter frame of Mansell's McLaren team-mate, Mika Hakkinen. As it was, right up until Mansell took to the track for his dismal, slow and elbows-knocking practice laps around Estoril, he and McLaren had been deluding themselves that the tight fit would be a minor inconvenience that could be remedied later. Instead, Mark Blundell will drive the car while another cockpit is prepared for Mansell, hopefully in time for the San Marino Grand Prix at Imola on April 30.

The start of this season is much impoverished by Mansell's absence,

yet two positive things may emerge out of McLaren's discomfort. Hopefully, as Grand Prix further explores safety avenues following last year's death of Ayrton Senna, yet more thought might be given as to whether the rules give drivers enough cockpit *liebensraum* in the event of a crash. The other is that, from now on, it might be just that little bit more difficult for the po-faced world of Formula One to intimidate us with the pompousness of its technology and the seriousness and dedication of its technocrats and apparatchiks.

Yes, Formula One is big business, with multinational corporations building global product strategies around it. And yes, it truly demands a daunting level of dedication and talent from its designers, managers and drivers with the cars that are technological marvels. But

**Some drivers manage to make the spraying of champagne on the winners' podium seem a chore**

the facade has cracked and we now know that even its loftiest moguls can make the mistakes of the mere mortal.

It is, in short, a chastening experience in a Formula One world which has become over-impressed with its own importance and, along the way, has suffered a serious sense of humour failure.

Just before he retired, 220mph Superstock car driver "King" Richard Petty, as much a motor racing super-hero to North Americans as any Grand Prix ace elsewhere, had a monumental shunt at the Daytona raceway, his Goody's pharmaceuticals-sponsored car cartwheeling a dozen times along the catchfencing before a crowd of several hundred thousand. A few days later, at Petty's instigation, there were full-page newspaper ads showing the crash in the background, and a prominent Petty declaring "Boy, I sure needed my Goody's headache pills after that one."

By European standards it was all in wonderfully bad taste. But it also symbolised a "race hard, play hard" culture which refuses to take itself seriously for 100 per cent of the time, and whose drivers seem actu-

ally to enjoy mixing with the fans who indirectly pay their wages.

By contrast, some Grand Prix drivers manage to make even spraying the champagne on the winners' podium seem a ritualistic chore. And just to make sure that this year's Grand Prix season didn't start without its customary off-track political battles, a dispute over the terms of the "super licences" which allow drivers to compete in F1 - which this year require drivers not to air Grand Prix problems in public - was resolved just in time. The drivers removed the possibility of industrial action in an 11th hour meeting on Wednesday night.

It is likely that the late Graham Hill, father of Damon, would have sympathised more with the world of the Richard Petty than the current grey eminence of F1, Hill Sr raced hard - becoming the only winner of the F1 world championship, the Indianapolis 500 and the 24 Heures du Mans to boot. But the world also saw him have a lot of fun. If he had complaints they were made in private and Britons revered him as a slightly rakish, sporting English gentleman.

At 34 his son increasingly appears to be from the same mould.

Although content to leave Mansell in charge of the Dubious British Moustache Brigade, the characteristic hard edge is apparent now in a way that it was not at the beginning of last year. In early 1994, particularly in the aftermath of the death of Williams-Renault team leader Senna, Hill had every appearance of a good journeyman driver who could raise his game in *excrucians* but one all too easily discouraged.

Before the final two races of last season, it was possible to name half-a-dozen drivers capable of performances at least as good, among them this year's team-mate, David Coulthard.

Hill sees the last two races of 1994 as his personal watershed. With the title a resurrected possibility after a race ban was imposed on Michael Schumacher and Benetton, Hill charged through the rain in the penultimate round at Suzuka, a man obsessed. His relentless chase of Schumacher, until their fateful collision under Hill's pressure gave Schumacher the title, has taken his driving and his confidence on to another plane.

He saw, albeit briefly, the young German - who had publicly aired his contempt for Hill as "second rate" - under pressure and on the run. Hill's determination to even the score with Schumacher oozes from every pore.



Ready for battle: Damon Hill is blessed with the tenacity of his father, Graham, who managed to combine hard racing with a sense of humour

It was at Adelaide that, in other ways, the father came out in the son. Hill's desolation at being shunted off in the collision which decided the championship can hardly be described. But difficult though it must have been to resist, Hill refused to endorse the xenophobic outpourings of the British press

that Schumacher's action had been coolly deliberate and Hill had been "robbed". Hill said recently: "I certainly don't hold a grudge against him. I believe a driver should restrict his feelings to the track and regard his competitor purely in terms of how he performs." He has no doubt that

Schumacher, whose Benetton is now powered by the same Renault unit as the Williams, will be formidable opposition. As indeed will be Coulthard, Eddie Irvine in the Jordan-Peugeot and - if they sort their troubles - Mansell and Hakkinen in the McLarens.

With the new cars, which have

less grip and less power compared with last year, Hill acknowledges a situation in which "a clear favourite has yet to be identified". A situation which, the cheerful grin implies, will resolve itself just as soon as a certain white and blue Renault-Williams passes the checkered flag tomorrow afternoon.

## Golf

## Plastic mat is trouble in Fife

Astroturf at the Old Course leaves Derek Lawrenson feeling cheated



Beauty and a beast: winter players must use a mat on the fairways

Standing on the first tee of the Old Course at the Royal and Ancient Golf Club of St Andrews, some of Scotland's most sublime architecture stands resplendent to the left, while St Andrews Bay glistens on the right. Laid out ahead is a gift from man and nature - the game's most cherished links, scarcely altered for 300 years.

"Tradition, then, is what we are talking about. That is until the starter says: 'And here's your piece of Astroturf, sir, for all shots off the fairways.'"

I am not sure there is a sporting equivalent of this. Perhaps turning up for a game with your friends at Wembley and walking through the tunnel to find you have use your coats as golfposts.

Small pieces of astroturf have long been used on golf courses in desert lands where the greens are brown and the fairways are sand. Astroturf is also used at municipal courses to save the teeing grounds on par three from undue wear and tear.

These are places where a turf substitute is essential and expected. But there is nothing to prepare you for the incongruity of turning up at the world's most famous golf course and being handed a mat, of the realisation that all fairway shots will not be played off the fairways at all.

The legendary Bobby Jones was so moved by the "home of golf" he wrote: "If I could take out all the experiences in my life except those at St Andrews I would still have led a rich and varied existence." And this without the experience of using his own astroturf mat.

Actually for me it worked a treat. I shot 76, which was my best score for about 10 years. But what these mats take away is the glorious uncertainty of the game. You do not get bad lies, or sloping lies with astroturf. You get the same lie all the time and there is nothing more unlike St Andrews than that. When you take away the

uncertainty you take away much of the Old Course's difficulty and what you are left with is really a bit of a fake.

More than 10 courses in the east of Scotland now indulge in the practice each winter.

The benefits are clear enough. Scarred by divot marks, St Andrews has never looked as scruffy as it did for the Dunhill Cup last October. Yet by last week the fairways had recovered. The faces of all 117 bunkers had been newly rivetted. The Old Course will look pristine come The Open in July. Maybe astroturf is a bit like the penalty shootout: vile but no-one can think of a bet-

ter alternative. Astroturf or not, it is impossible not to admire the way St Andrews has stood the test of time. There are some who think it too easy for the pros in this hi-tech age but this is only true when you enjoy a day such as we had, when the wind is barely strong enough to ruffle the hair.

"Bet you don't get too many days like this in March," I said to a course ranger.

"Don't get too many days like this in July," he replied. On a typical day St Andrews remains tough enough, and the average score of 72.66 from the last two Opens bears this out.

The other impression the course reinforces is how many modern designers simply miss the point. Our threesome contained one man with a single figure handicap, one off 14, and one off 21 and we had a game that was fair and equal having shared out the requisite amount of shots.

But too many new courses make the game unfair and unequal between the handicaps. Invariably there will be an expanse of water that the 21 handicapper hasn't a chance of clearing. There will be a long par four that the low handicapper, in spite of conceding a shot, cannot make in two blows but which everyone can make in three.

The beauty of St Andrews is that there are holes that puff up everyone's ego and even those that are brutish remain playable. It is physically undemanding and mentally nourishing (as opposed to the modern equivalent of physically exhausting and mentally boring), and the first thing you want to do on finishing is to plan your next visit. Which, of course, is how it should be.

Mind you, it was hard not to stifle a guffaw over that hoary old chestnut that golf is the only game that allows you to walk the same hallowed path as superstars and where you can imitate their shots (or trash about trying).

I have never seen Nick Faldo hitting a five iron off astroturf to the opening hole. I have never seen him put out on the home green with a cement mixer whirling away in the background.

Still, the locals at Carnoustie say you get used to the astroturf after a while. Then there was the Japanese tourist who was asked for his impression: "Very good," he said. "Particularly helpful out of the bunkers."

You can keep your piece of astroturf if you want. A souvenir of St Andrews. I placed mine in the dispenser available behind the 18th green.

## Rugby Union / Huw Richards

## In league with success

Social mobility is a phenomenon which English rugby used to leave to the attention of sociologists. And Bridlington, a tidy Yorkshire seaside resort of around 30,000 people, was not somewhere to go looking for it.

But the concept is being introduced to the game in general, and Bridlington RUFC in particular, by the eight-year-old Courage League where progress depends on results rather than the ability to break into fixture lists drawn up years ahead by tradition and status.

Bridlington has a rugby history. The club has been playing since 1925 and, in 1944, 17-year-old Ernie Cooper won a place in the Guinness Book of Records with an 81-yard penalty for a local school team against an Army XV.

Visitors to today's League North Two promotion game against West Park St Helens can hear the story from Ernie himself. "I used to practice kicking goals from my own 10-yard line. We needed the points to keep our unbeaten record and, yes, there was a bit of a wind."

It took the creation of the league to break the routine of playing local junior rivals and producing the odd star like Ian Oram, a scrum-half who moved to Roundhay and went on to the 1975 England tour of Australia, or Yorkshire prop Albert Thunderscliffe.

A few clubs have taken spectacular advantage of new opportunities. Sheffield Oaks won promotion in the league's first five seasons. Gloucester Old Boys have gone up in six of seven league years. Rotherham are set for a sixth promotion. And so are Bridlington

who, after missing out last season, can make certain of it if they win today and rivals New Brighton fail to beat leaders Macclesfield.

Bridlington have risen from the ranks of the public park teams to catch and overtake some sides recently considered first class - Halifax, New Brighton and Harlepool Rovers are among the clubs who would scarcely have entertained giving them a fixture 10 years ago but have been beaten by them this season.

One way to ensure success on the pitch is to recruit players from elsewhere. Bridlington, however, have chosen to grow their own.

They were perhaps fortunate that an outstanding group of players emerged as the leagues started in 1987, but luck was based on foresight - starting mini-rugby in the early 1970s and nursing talent through Colts teams as the game declined in local schools.

"I reckon 10 or 11 of the current squad have come through together from the Colts team. They have learnt together and know how each other play," says coach Mike Hodgson.

Those players had to be retained in the face of rugby's transfer market. Relative isolation helps - Wakefield or Leeds is a 100-mile round-trip - but there are other reasons as well.

"We've had that nucleus of people who have played and stayed together for years and believe we can still go higher," says Karl Cragg, a 6ft 7in lock forward who combines line-out ability with handling skills seen to great effect as Bridlington demolished Old Crossleyans, former pupils of England hooker Brian Moore's old

school, 46-7 last month.

Cragg has signed for Second Division Wakefield for next season, but is still clearly torn between a natural desire to play at the top level, the demands of a young family and loyalty to team mates.

Bridlington's optimists believe that he will stay if they go up.

Success also demands talent and organisation off the field.

Bridlington players and members swear by, not about, their coach. Club solicitor

**Bridlington have risen to overtake some sides considered first class**

Bruce Raper, a committee man for more than 20 years says: "Mike Hodgson's coaching throughout this period has been the key factor, backed by a strong club spirit and stability."

President Stuart Johnson, involved for 26 years, runs the line for the first team, while chairman Norman Lowry captains the fourths.

Even when impeccably amateur, rugby is expensive. Training equipment has to be purchased - a scrummaging machine cost the club £5,000 last season - and teams have to be transported.

Sponsors and local employers Lada Cars - the company's donations include a framed joystick emblazoned with the company logo - are regarded with intense gratitude.

But sponsorship supplements rather than replaces the club's own sources of income. Their warm, welcoming, compact clubhouse has one of the busiest bars in town, taking more than £1,000 on some match weekends.

Even though the club play in a public park - casual watchers against Old Crossleyans included a man with a push chair and a couple walking a dachshund - Bridlington charge spectators and hope for a four-figure crowd today. The club have also been investing, spending £27,000 last year on a 200-seater grandstand and taking on a full-time bar steward. Progress can bring problems. One threat, for example, is the Icarus syndrome - rising too high too fast. The problem with outstanding players emerging simultaneously is that they also age together. But there are young players winning Yorkshire age-group caps and Stuart Johnson is as proud of a talented under-16 side as of the Firsts.

Some members also feel that, while Rugby is supposed to be fun, the pursuit of success has brought intensity. "The players don't sing any more," says one. But club captain Simon Davies, a Rob Andrew look-alike who plays at centre, says: "It is much easier to feel good if you are winning, and the club's status and image depend on the leagues."

Bridlington recognise the limits on what a small club can achieve. The regionalised National League Five, two divisions above their current status, is seen by most as the likely ceiling. There seems little doubt, however, that they will get there before long, and even less that they will be a credit to their new status.

What's on in principal cities



## INTERNATIONAL ARTS GUIDE

## What's on in principal cities

## AMSTERDAM

## CONCERTS

Het Concertgebouw Tel: (020) 671 8345  
 ● Netherlands Chamber Orchestra: Philippe Entremont plays Lutoslawski, Stravinsky and Tchaikovsky. 8.15pm; Mar 25, 26

## GALLERIES

Amsterdams Historische Tel: (020) 523 1822  
 ● Hunger, Winter and Liberation in Amsterdam: exhibition that marks the changes in Amsterdam during the last months of WWII and the Liberation; to Sep 3  
 Jewish Historical Tel: (020) 826 9945  
 ● Taking a Stand: exhibition shows the work of two artists, Ralph Prins and Felix Nussbaum, to commemorate the 50th anniversary of the Liberation. Nussbaum was killed in Auschwitz and Prins was one of the survivors of the Theresienstadt camp; to May 7  
 Stedelijk Tel: (020) 5732 911  
 ● Alfa Romeo: The Essence of Beauty: exhibition marking the development and design of Alfa Romeo cars from the early part of this century to the most recent models; to Apr 2

## OPERA/BALLET

Het Muziektheater Tel: (020) 551 89 22  
 ● Schoenberg Trilogy: new productions of "Die Glückliche Hand", "Von Heute auf Morgen" and "Erwartung" and the first time these three one-act operas are playing in one performance. With David Wilson -Johnson, Isolde Elchlepp and conductor Winfried Macczewski; 8pm; Mar 25, 28

## BERLIN

## GALLERIES

Altes Museum Tel: (030) 203 55 0  
 ● Munch and Germany: exhibition of early works by Norwegian artist Edvard Munch and German artists influenced by him; to Apr 23  
 Deutsches Historische Tel: (030) 215 020  
 ● Art from the GDR 1949-1990: exhibition that looks at politically commissioned art in the old German Democratic Republic; to Apr 18  
 ● Pictures and References to German History: exhibition with more than 2,000 paintings, coins, materials and other artefacts that document the history of Germany; to Dec 1 (not Sun)  
 Neue Nationalgalerie Tel: (030) 2662653  
 ● George Grosz, Berlin-New York: exhibition of the German Dadaist who emigrated to the US; to Apr 17

## OPERA/BALLET

Deutsche Oper Tel: (030) 34384-01  
 ● Lucia di Lammermoor: by Donizetti. Conducted by Marcello Viotti and produced by Filippo Sanjusti. 7.30pm; Mar 25, 29 (8pm)  
 ● Martha oder Der Markt zu Richmond: by Friedrich von Flotow. Premiere conducted by Sebastian Lang-Lessing and produced by Winfried Bauerfeind; 7pm; Mar 30 (7.30pm)  
 ● The Girl of the Golden West: by Puccini. A new production conducted by Paolo Olmi and produced by Frank Corsaro. Soloists include Galina Kalinina and George Fortune; 7pm; Mar 26, 31  
 Staatsoper unter den Linden Tel: (030) 2 00 4762  
 ● Der Rosenkavalier: by Strauss. Nicolas Brieger directs this new production. The sets are designed by Raimund Bauer and Donald Rinnels conducts; 6.30pm; Mar 26 (8pm); 29

## BRUSSELS

## CONCERTS

Beaux-Arts Tel: (02) 507 82 11  
 ● Collegium Vocale Ghent: with soprano Sibylla Rubens and alto Andreas Scholl. Philippe Herreweghe conducts. 8pm; Mar 27  
 ● La Colombina: group comprising soprano Maria Kier, counter-tenor Claudio Carvina, tenor Josep Benet and baritone Josep Cabré plays music from holy week; 8pm; Mar 26  
 ● Violin and Piano Recital: violinist Shlomo Mintz and pianist Georges Fledermacher plays Beethoven, Enescu and Hindemith; 8pm; Mar 29

## OPERA/BALLET

De Munt/La Monnaie Tel: (02) 218 22 11  
 ● Wozzeck: by Berg. Conducted by Lothar Zagroes, produced by Hans Neugebauer; 8pm; Mar 26 (8pm); 29, 31

## FRANKFURT

## CONCERTS

Arts Glani Tel: (069) 97 58 37 88  
 ● Le Corbusier: famous for his architecture, Le Corbusier also produced oil paintings, watercolours, drawings and graphics. This is an exhibition of 40 such works created between 1928 and 1964; to Mar 31

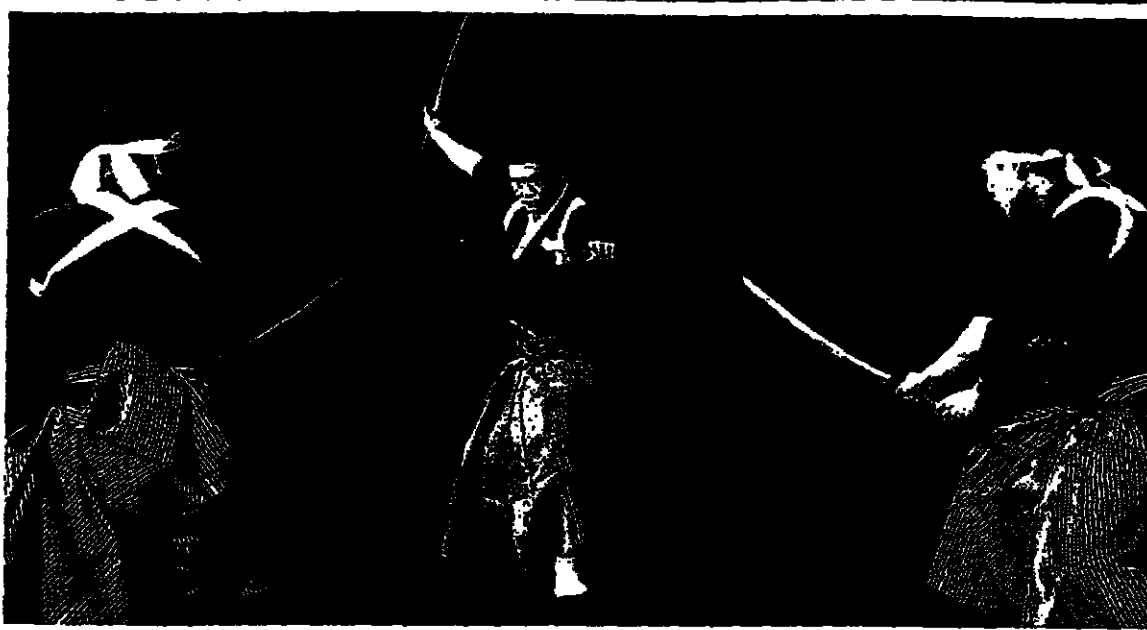
## GALLERIES

Arts Glani Tel: (069) 97 58 37 88  
 ● Le Corbusier: famous for his architecture, Le Corbusier also produced oil paintings, watercolours, drawings and graphics. This is an exhibition of 40 such works created between 1928 and 1964; to Mar 31

## GENEVA

## GALLERIES

Art et Histoire Tel: (022) 311 43 88  
 ● Icons: the Mavromichalis donation; to May 7  
 ● Swiss Romande Posters; 8.15pm; to Mar 28  
 Centre d'Art Contemporain Tel:



Cut and thrust: The Art of the Samurai at Washington's Kennedy Center features a sword fighting demonstration and historical drama

(022) 329 18 42  
 ● Tony Currier: installation by the artist; to May 28

## HELSINKI

## GALLERIES

Museum of Contemporary Art  
 ● AFS 95 HELSINKI: one of the largest exhibitions of international contemporary art to be held in Scandinavia. Artists included are Louise Bourgeois, Helen Chadwick and Felix Gonzalez-Torres; to May 28

## LONDON

## CONCERTS

Barbican Tel: (0171) 638 8891  
 ● Mahler Festival: Michael Tilson Thomas conducts the London Symphony Orchestra with tenor Ben Heppner and baritone Thomas Hampson to play Mahler and Rott; 7.30pm; Mar 26  
 ● Mahler Festival: Michael Tilson Thomas conducts the London Symphony Orchestra to play Schumann and Boulez; 7.30pm; Mar 29  
 ● Royal Concertgebouw Orchestra: with pianist Maria Joao Pires. Riccardo Chailly conducts Beethoven and Strauss; 7.30pm; Mar 28  
 ● Vienna Symphony Orchestra: with pianist Rudolf Buchbinder. Nikolaus Harnoncourt conducts Haydn, Mozart and Beethoven; 7.30pm; Mar 31  
 Queen Elizabeth Hall Tel: (0171) 928 8600  
 ● On Duke's Birthday: in memory of Duke Ellington, Mike Westbrook and his 20-piece orchestra play a contemporary tribute; 7.45pm; Mar 30  
 Royal Festival Hall Tel: (0171) 928 8600  
 ● Royal Philharmonic Orchestra: Vladimir Ashkenazy conducts Beethoven and Shostakovich; 7.30pm; Mar 25  
 ● Royal Philharmonic Orchestra: with pianist Radu Lupu. Marek Janowski conducts Schumann, Beethoven and Brahms; 7.30pm; Mar 30

## GALLERIES

Barbican Tel: (0171) 638 8891  
 ● Impressionism in Britain: the first comprehensive survey of the development of Impressionism in Britain. More than 200 works by more than 100 artists including Degas, Rothenstein and Whistler; to May 7  
 Hayward Tel: (0171) 261 0127  
 ● Yves Klein: more than 110 works conveying the full range of his output from paintings and sculpture to installations, events, architectural schemes to stage and film scenarios; to Apr 23  
 National Gallery Tel: (0171) 639 3321  
 ● Spanish Still Life: from Velázquez to Goya. Exhibition of 16th-17th century Spanish paintings by artists such as Cotán and Zurbarán; to May 21  
 Royal Academy Tel: (0171) 439 7438  
 ● Poussin: more than 90 works by the French artist. Centerpiece of the exhibition is the two series of the 'Seven Sacraments'; to Apr 9  
 Royal Festival Hall Tel: (0171) 928 8600  
 ● From Auschwitz: exhibition of paintings, sculpture and photography by 21 contemporary artists in response to the Holocaust; to Apr 17  
 Serpentine Tel: (0171) 402 0343  
 ● Take Me (I'm Yours): a unique opportunity to touch, use, test, buy or take away the objects in this exhibition that has been selected by Swiss curator Hans Ulrich Obrist; to May 1  
 Tate Tel: (0171) 887 8000  
 ● Willem de Kooning: a major exhibition featuring more than 70 paintings drawn from private and public collections worldwide; to May 7

## OPERA/BALLET

English National Opera Tel: (0171) 632 8300  
 ● Don Giovanni: a new production of Mozart's opera. House debuts for director Guy Joosten and conductor Markus Stenz; 7pm; Mar 25, 29, 31  
 ● Madama Butterfly: Puccini's opera, originally directed by Graham Vick; 7.30pm; Mar 28, 30  
 Royal Opera House Tel: (0171) 304 4000  
 ● Giselle: music by Adolphe Adam. A Royal Ballet production choreographed by Marius Petipa after Jean Coralli and Jules Perrot and produced by Peter Wright; 7.30pm; Mar 25 (7pm)  
 ● Salome: by Strauss. A new production directed by Luc Bondy and conducted by Christoph von Dohnányi; 8pm; Mar 28, 31  
 ● Siegfried: by Wagner. A new production directed by Richard Jones and conducted by Bernard Haitink; 5.30pm; Mar 27; Apr 1 (4pm)

## THEATRE

Aldwych Tel: (0171) 836 6404  
 ● Indian Ink: by Tom Stoppard. With Felicity Kendal, Margaret Tzack and

Art Malik (not Sun)  
 Apollo Shaftesbury Tel: (0171) 494 5070  
 ● In Praise of Love: by Terence Rattigan. Directed by Richard Olivier, this comedy is based on the relationship between Rex Harrison and his wife. With Peter Bowles and Lisa Harrow; 8pm; (not Sun)  
 Criterion Tel: (0171) 839 4488  
 ● My Night with Reg: by Kevin Elyot, directed by Roger Michell. A meeting of old college friends; 8pm; (not Sun)  
 Gielgud Tel: (0171) 494 5065  
 ● Design for Living: by Noel Coward and directed by Sean Mathias; 8pm; (not Sun)  
 Old Vic Tel: (0171) 928 7616  
 ● Conversations with My Father: by Herb Gardner and directed by Alan Ayckbourn. Stars Judd Hirsch who won a Tony award for his role; 7.45pm; (not Sun)  
 Vaudeville Tel: (0171) 836 9987  
 ● Kipper Joe: by Tracy Letts, directed by Wilson Milani; 8pm; (not Sun)

## LOS ANGELES

## CONCERTS

Dorothy Chandler Pavilion  
 ● Celebrity Recital: Pinchas Zukerman on violin/viola with pianist Marc Nelburg in a programme that includes Mozart and Brahms; 8pm; Mar 28  
 ● Wiggworth's Debut: with pianist Lars Vogt. Mark Wiggworth conducts Beethoven's "Piano Concerto No.2" and Shostakovich's "Symphony No.7" on his debut performance with the Los Angeles Philharmonic; 8pm; Mar 30, 31; Apr 1  
 County Museum Tel: (213) 857 6000  
 ● American Impressionism and Realism: The Painting of Modern Life. Two important turn-of-the-century movements in American painting are studied and includes works by John Singer Sargent, Mary Cassatt and Child Hassam; to May 24

## MADRID

## GALLERIES

Fundación Juan March Tel: (91) 435 48 40/435 42 40  
 ● Klimt-Kokoschka-Schleier: exhibition of 35 works by the three Viennese artists; to May 21  
 Prado Tel: (91) 420 28 36  
 ● Sebastiano Del Piombo: Venetian born artist of the Italian Renaissance. This exhibition explores his influence on Spanish painting during the 16th and 17th centuries; to Apr 30  
 ● Zurbarán: Jacob and His Twelve Sons; to Apr 30  
 Reina Sofia Tel: (91) 468 30 02  
 ● Robert Rauschenberg: retrospective of the American artist; to Apr 10  
 Salvador Dalí: the early years; to Jun 16

## MUNICH

## GALLERIES

Bayerische Staatsgemäldesammlungen Tel: (089) 23 80 50  
 ● Henri de Toulouse-Lautrec: posters; to Apr 30  
 Haus der Kunst  
 ● Deutsche Romantik: previously on show in London, this exhibition has created much discussion in Germany. It examines the work of early German Romantic painters and their cultural and political impact on successive generations of German artists; to May 1

## OPERA/BALLET

Bayerische Staatsoper Tel: (089) 22 13 16  
 ● A Cinderella Story: music by Prokofiev. A Hamburg Ballet production choreographed by John Neumeier; 7.30pm; Mar 25, 28 (1.30pm)  
 ● Ballet by John Neumeier: a number of ballet pieces choreographed by Neumeier to the music of, amongst others, Dvořák, Ravel and Mahler; 8pm; Mar 27  
 ● Il Trovatore: by Verdi. Conducted by Miguel Gomez Martinez, produced by Luca Ronconi. In Italian; 7pm; Apr 1  
 ● Swan Lake: music by Tchaikovsky. A new production choreographed by Ray Barra/Marius Petipa/Lew Ivanov. André Presser conducts; 7.30pm; Mar 30  
 ● The Nutcracker: music by Tchaikovsky. Choreographed by John Neumeier and conducted by André Presser; 7.30pm; Mar 28

## NEW YORK

## CONCERTS

Avery Fisher Tel: (212) 875 5030  
 ● New York Philharmonic: Sir Colin Davis conducts an all-Sibelius programme; 8pm; Mar 25  
 ● New York Philharmonic: with soprano Sylvia McNair, baritone Hakan Hagegard and the Westminster Symphonic Choir. Kurt Masur conducts an evening of choral music

by Brahms; 8pm; Mar 28, 30, 31; Apr 1  
 Carnegie Hall Tel: (212) 247 7800  
 ● Orchestra of St. Luke's: with soloist Alicia de Larrocha. André Previn conducts Mozart and Haydn; 8pm; Mar 26

## GALLERIES

Guggenheim Tel: (212) 423 3652  
 ● Felix Gonzalez-Torres: a comprehensive survey of the contemporary artist's multi-media art form; to May 10  
 ● Ross Bleckner: mid-career retrospective of the American artist consisting of approximately 75 paintings and works on paper; to May 14  
 Guggenheim Soho Tel: (212) 423 3652  
 ● Antoni Tapies: fifty five of the leading Spanish artist's most important works dating from 1946 to 1991; to Apr 23  
 Museum of Modern Art Tel: (212) 708 9480  
 ● Kandinsky: Compositions: exhibition featuring approximately 40 works including seven of the surviving "Composition" paintings; to Apr 25

## OPERA/BALLET

Metropolitan Tel: (212) 362 6000  
 ● Idomeneo: by Mozart. Produced by Jean Pierre Ponnelle, conducted by James Levine; 8pm; Mar 25  
 ● La Traviata: by Verdi. Produced by Franco Zeffirelli, conducted by John Fiori; 8pm; Mar 30  
 ● Fédas et Médas: by Debussy. A new production by Jonathan Miller. Conducted by James Levine; 8pm; Mar 27; Apr 1  
 ● Tosca: by Puccini; 8pm; Mar 25, 29; Apr 1 (1.30pm)  
 New York City Opera Tel: (212) 307 4100  
 ● La Traviata: by Verdi. A new production conducted by Yves Abel and directed by Renata Scotti. Soloists include Janice Hall/Oksana Kroytka and Stephen Mark Brown/Richard Drews; 8pm; Mar 25, 28; Apr 1 (1.30pm)

## THEATRE

47th Street Tel: (212) 307 4100  
 ● Jelly Roll: adapted by Vernel Bagneris who also stars in this look at the musical life of Jelly Roll Morton; 8pm; (not Sun)  
 Variety Arts Tel: (212) 239 6200  
 ● Death Defying Acts: three one-act plays by Woody Allen, David Mamet and Elaine May. Directed by Michael Blakemore and with Linda Lavin, Debra Monk and Paul Guilfoyle; 8pm; (not Mon)

## PARIS

## CONCERTS

Various Venues Tel: (1) 43 85 66 00  
 ● Banlieues Bleues: month long jazz festival. Artists include Betty Carter, Abbey Lincoln and Shirley Horn; to Apr 15

## GALLERIES

Galerie Schmit Tel: (1) 42 60 36 36  
 ● From Delacroix to Matisse: exhibition including the works of Picasso and Degas; to Apr 13  
 Musée Carnuel Tel: (1) 45 63 50 75  
 ● Japan, Tastes and Tranquility: The Japanese Tea Ceremony: the historical and philosophical development of the Japanese ceremony; to May 14; (not Sun)  
 Musée d'Orsay Tel: (1) 45 49 11 11  
 ● James McNeill Whistler: exhibition of works; to Apr 30  
 Musée du Petit Palais Tel: (1) 42 65 12 73  
 ● Carthage: history, its impact and resonance; to Jul 2

## OPERA/BALLET

Châtelet Tel: (1) 40 28 28 40  
 ● Peter Grimes: by Britten. A new production by Adolf Drasen with Jeffrey Tate conducting the Philharmonia Orchestra; 7.30pm; Mar 25, 28, 30  
 Opéra National de Paris, Bastille Tel: (1) 47 42 57 50  
 ● Comedie Madrigalesques: music of Lassus, Vechi, Banchieri, Striggio and Croce. Conducted by Dominique Vieze and produced by Miralisse Larroche; 8pm; Mar 27, 28, 29  
 ● The Masked Ball: by Verdi. Conducted by Antonello Allemandi and produced by Nicolas Joël. Soloists include Gegam Grigorian and Gaetan Laperriere; 7.30pm; Mar 29, 31

## ROME

## OPERA/BALLET

Teatro dell'Opera Tel: (06) 481601  
 ● Macbeth: by Verdi. Conducted by György Györfányi Rath and produced by Henning Brockhaus; 8.30pm; Mar 28 (8pm), 31

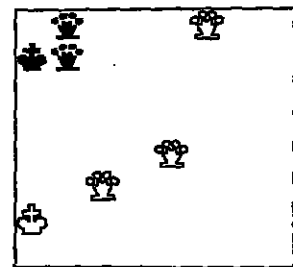
## SAN DIEGO

## OPERA/BALLET

San Diego Opera Tel: (619) 232 7636

## CHESS

Gata Kamsky's brave campaign to become the first double world champion finally failed this week when the 20-year-old American was well beaten 6½-4½ by Vishy Anand in the PCA candidates final at Las Palmas. Anand now challenges for Garry Kasparov's title, while Kamsky will meet Anatoly Karpov for the Fide crown.  
 Sending his rival's theoretical weakness, Anand sought highly analysed openings (Anand, White: Kamsky, Black; 9th game 1995).  
 1 e4 e5 2 Nf3 Nc6 3 Bb5 a6 4 Bc4 Nf6 5 0-0 Be7 6 Re1 b5 7 Bb3 d6 8 c3 0-0 9 h3 Bb7 10 d4 Re8 11 Nbd2 Bf8 12 a4 b6 13 Bc2 exd4 14 cxd4 Nb4 15 Bb1 Qd7 c5 16 d5 Nd7 17 Ra3 favoured Anand in game 7, but the queen looks misplaced at d7 and soon moves again.  
 16 b3 g5 17 Bb2 Bg7 18 Qc1 Rac8 19 Be3 c5 20 d5 Qe7 21 Nf1 Nh7 22 Bxg7 Kxg7 23 Ne3 h5 24 Qd2 A very comfortable position for White, who can probe the weak squares on both flanks created by Black's pawn advances.  
 Kg8 25 axb5 axb5 26 Nd1 Na8 27 Ne3 b4 28 Nb5 Ne7 29 Bb3 Nb5 30 Bxb5 Bb8 31 Be4 Nf6 32 Qb6 Qb8 33 Qe5 Qg7 34 Ra7 The decisive penetra-



No 1067  
 White mates in two moves, against any defence (by Dr W Speckmann).  
 White's trio of queens defeat Black's pair.

Solution Page XI  
 Leonard Barden

## BRIDGE

In today's hand, which comes from rubber bridge, the declarer lost a cold contract by a bad mistake. This could have been avoided, if he had paused at trick one to count his tricks:

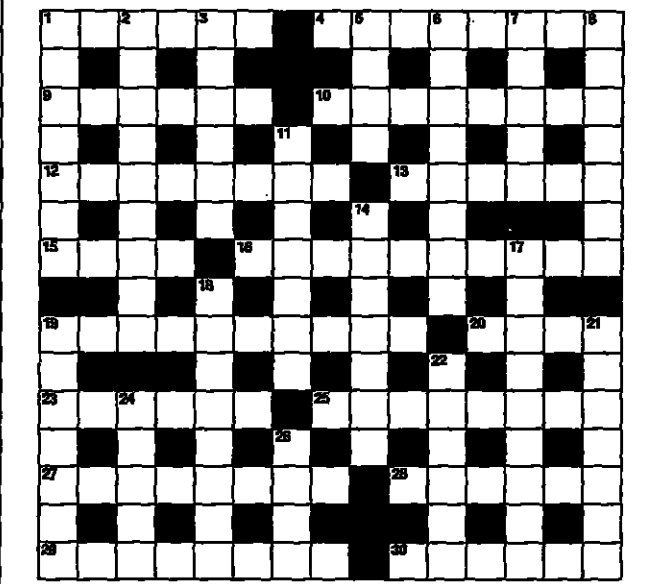
N  
 ♠ 7 5 4 3  
 ♥ A J 9 4  
 ♦ 6 2  
 ♣ A 3  
 W  
 ♠ 6 2  
 ♥ A K Q 9 4 3  
 ♦ 8 7 6 2  
 ♣ K Q 8 7  
 E  
 ♠ J 9 2  
 ♥ Q 10 8 3  
 ♦ 8 7  
 ♣ J 10 9 4  
 S  
 ♠ A K Q 8  
 ♥ K 7 5  
 ♦ J 10 5  
 ♣ K Q 5

With North-South vulnerable South dealt and opened with one no trump (18-18), and North replied with a Stayman two clubs, and raised South's reply of two spades to four spades. This closed the auction.  
 West cashed ace and king of diamonds, East pattering, and continued with the queen. Declarer ruffed with dummy's

E.P.C. Cotter

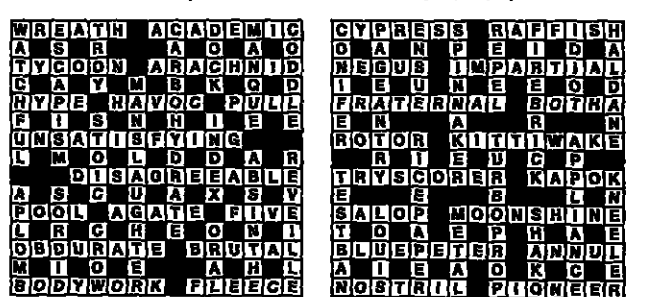
## CROSSWORD

No. 8,720 Set by CINEPHILE  
 A prize of a classic Pelikan fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of 250 Pelikan vouchers. Solutions by Wednesday April 5, marked Crossword, 1995 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9SL. Solution on Saturday April 8.



NAME \_\_\_\_\_  
 ADDRESS \_\_\_\_\_  
 1 Split fairly: it's a little dry (6)  
 2 Latin American and the terror he displays (8)  
 3 First about a tree (6)  
 4 Italian painter, he has an unusual sign (8)  
 5 Region of Roman origin with some tyrannical trouble (8)  
 6 Twerp is over-poetical in quotation from Latin (6)  
 7 Instrument for returning ill-gotten gains (4)  
 8 Look for gold in America, giving details of course? (10)  
 9 Trousers of the poorest kind, in duck, right for the box (10)  
 10 Insult, brief and not pointed (4)  
 11 Say categorically - that it can't lose? (6)  
 12 Sign number one's back without a lot of body (8)  
 13 In the drawing room or in Boston, separately, and still upset about it (3,5)  
 14 Jockey on trails (8)  
 15 Spirit in social creature, maybe a cow (8)  
 16 XST (6)  
 17 He has a title, "Love in a North London borough" (7)  
 18 Magnificent bird or big sporting event (5,4)  
 19 Salsica was off on it? (6)  
 20 Year on the Italian front (4)  
 21 Cause of disease when the course has gone off (8)  
 22 "The Black Country" (5)  
 23 Seaweed in lettuce makes a fuel or two (4,3)  
 24 Something spoken where one lives need not (7)  
 25 Obviously request use of cane? (7)  
 26 State of anxiety holds in learner that is in an old car (3,6)  
 27 Covered circle with poet called Paul, French not English (6)  
 28 Greek god under Scottish mountain or old Indian city (7)  
 29 It takes bread to flower (7)  
 30 Greek god under Scottish mountain or old Indian city (7)  
 31 During next month Long Island becomes long-winded (6)  
 32 Pole not too cozy for insects to gallop? (6)  
 33 Astonish by crazy get-up (4)

Solution 8,719



WINNERS & 700: W. Maynard, Poole, Dorset; Vidya Borooch, Belfast; M. Conits, Orpington, Kent; D. Grace, Sligo, Kent; J. Holland, Haighton, Lancs; J. Souter, Sherborne St John, Hants.





Peter Aspdon

# Sorry, no cross, no Easter fanfare

The strength of the Christian message lies in its subtlety, not in snappy sound-bites and happy homilies

**S**urprise! Yes, that's it, but try it with even more vigour: "Surprise!". This is not some minor scandal we are uncovering here, not even the collapse of some merchant bank. This is something bigger than all that, the biggest thing of all. It is a resurrection, for Christ's sake.

It is the advertising brief from hell, and I'm tempted to say that. Literally. You are the Church of England and you are worried about evaporating attendances, ambiguous sexualities and the pressures of trying to be pastoral in a pectoral world.

Easter, the second-biggest gig of the year, is approaching fast, the days are getting warmer, the nights shorter. The trouble is that

this crucifixion trip is a bummer, full of depressing messages and negative emotions. You want to attract people into your churches, to celebrate Christ's rising from the dead, to give them a hopeful and uplifting message, but people will keep dwelling on that cross business. You are reminded of that Lenny Bruce joke, that if Jesus had lived and died today, we would all be wearing electric chairs around our necks.

And you decide: enough! Drop the cross, ditch the grief, let's focus on the positive vibe. "Surprise!" You target prime poster sites around the country and there, jostling among the Eva Herzigovas, the Helena Christenssens, the Demi Moores, you make your

point: "Surprise!... said Jesus to his friends three days after they buried him; to be continued in a church near you."

There are two reasons why all this nonsense is a very bad idea. The first is that the Christian Church generally is not very good at transmitting joy, hope, optimism. One could argue that this is true of its entire history; it is certainly true of the 20th century, and especially the late 20th century, with its rediscovery of what one might call the Dionysian values.

The minute Elvis Presley discovered what could be done with a curled lip and a thrusting hip, the Church was fighting a rear-guard action, desperate to find something that could match the unbridled

passion which spits out of the opening bars of a "Baby, Let's Play House" or a "Mystery Train". It soon found out that playing acoustic guitars and tambourines, singing about happy flocks frolicking in the green pastures was not the answer.

Yet, it still thinks it can compete on this level. One cleric quoted in *The Guardian* last week talked of the need to make people realise that "what God has to say in the Bible is better than any US lyrics" and that "Jesus Christ can give you an adrenaline rush better than Eric Clapton". Surely one should not have to fill Wembley with guitar licks nor drop-kick innocent bystanders to prove the point.

The strength of the Christian message lies in its very subtlety, which brings me to my second reason for decrying the Church's current campaign. The denial, however fleeting, of the crucifixion in an Easter message makes the entire festival meaningless. The joy of the resurrection can only be understood in reference to the intense sadness of Christ's death on the Cross. This applies whether you are the most traditional of church-goers or the most modish of Sea of Faith post-modernists.

Easter, the spiritual core of the Christian year (although it is all too easy to notice in England), does not carry a message of unequivocal joy. Its tone surely hovers between the sombre,

deathly echoes of Good Friday and the triumphant, miraculous fanfare of Easter Sunday. "Ours," as George Steiner puts it, "is the long day's journey of the Saturday. Between suffering, loneliness, unutterable waste on the one hand and the dream of liberation, of rebirth on the other."

It is probably a message too complicated to distill into a poster campaign. It is not snappy, not upbeat, nor likely to leave you whistling a jolly tune on your way to work. But it is the reason that Christianity has an enduring, sophisticated response to those who want to turn the world into a catch-all sound-bites and happy homilies. Who knows, it might even catch on; the biggest surprise of them all.

# A nice line in public scandal

By James Morgan

**S**ince this column is dedicated to the discovery and illumination of the most significant events of the European week, it has to accept that some countries will feature more often than others. The goddess of news does not spread her favours equally among nations. So some, unfortunately, are more interesting than others.

It is not hard to decide which is the most interesting these days. Russia has sacrificed that title in an unchanging miasma of insoluble crises. Italy spins ever more rapidly in the same, but diminishing, circle of political infighting. Germany has re-established a familiar, tedious equilibrium after the excitement of 1989-90. Spain produces interesting but somehow pointless sensations, but somehow suffering from the belief that anything can happen in Spain. The reigning champion is undoubtedly France. It has taken over from Britain, which this week could offer only yet another paltry sex scandal in reply to the cornucopia of bizarre events across the Channel.

News from France should be dominated by a tedious presidential election campaign. But today the presidential is merely a backdrop to a succession of dramas which has made "vertigo" the word most often employed by local commentators.

The latest of a long line of "affaires" has involved Pierre Suard, the boss of Alcatel-Alsthom, which is the nation's largest industrial company.

Then there have been further details concerning the one-time politician and now bankrupt ex-millionaire football impresario, Bernard Tapie and his friend, the small-town mayor with the elastic memory, Jacques Mellick. Finally we have enjoyed the continuing argument over Tapie's biggest creditor, Credit Lyonnais, which will eventually produce total losses of around \$10b.

"While the space of a few days," wrote *Le Tribune Desseins* on Monday, "We have seen just about the worst of everything in our country, a great boss, under investigation by the judiciary, threatening to relocate his company's headquarters."

"We have seen an elected politician, an ex-minister moreover, who showed himself to have lied to save another ex-minister from prosecution in a sordid and corrupt affair. We have also seen a section of the state apparatus struck by a curious collective amnesia in exonerating itself from all blame in the downfall of the greatest French bank (public, one must remember) and loading the responsibility for its own incompetence on executives who have not until this day been questioned by those now in charge."

**U**ntil a year or two ago, France had seemed to be a country run by a powerful and efficient bureaucracy which not only knew what it wanted but wanted the right things.

It enforced its wishes in a manner Stalin might have envied and was run by platonic technocrats who made wise, arrogant choices which a respectful public dutifully accepted.

But behind this façade lurked informal financial links between political parties and large industrial groups. There were unaccountable local government authorities suddenly given huge new spending powers.

There lay hidden a wondrous hive of iniquity which is now revealed in the press. Actually it has been revealed by defence lawyers and examining magistrates who pass on information to newspapers either to ensure as many people as possible are implicated along with their clients, or to gain celebrity status.

The picturesque quality of French scandals owes nothing to the injection of any lubricious element of the kind the English find so essential. France has given the connoisseur of scandals moments of perfect farce: when Mr Mellick stated Mr Tapie was with him in Paris at a certain time on a certain date, a newspaper photograph taken at the identical hour showed that could not have been the case.

But the difference between French and British scandals goes far deeper than the fact that money dominates the former and sex the latter.

The revelations that have appeared in the London tabloids over the past year have concerned matters of little importance and have called forth investigative skills no greater than those of Inspector Clouseau. All they show is that a passably attractive woman can ruin the career of a public figure and make a good deal of money just as she reaches that certain age, no longer ingénue, yet yet *grande dame*.

As the former deputy governor of the Bank of England implied on Tuesday as he resigned, the standard of people who are prepared to enter public life in Britain might well fall in France current developments should mean that the standards in public life should rise.

James Morgan is economics correspondent of the BBC World Service.

**U**nlike the English expats who are the subject of his new book, Jonathan Raban has no great interest in owning vast acres of land. He lives in an unassuming two-storey house in middle-class suburbia in Seattle, and received me in an office cluttered with books and papers, formerly a garage at the bottom of his garden.

We talked about the book he is now writing, a mixture of fiction, history, travel and auto-biography, on the life of homesteaders who were offered free parcels of land on the great plains of eastern Montana at the turn of the century.

The story of these immigrants, many of them English, was similar enough to his own, he told me. While writing it he has sometimes felt great identification with the disparate folk who journeyed 5,000 miles to start a new life.

Geography, one feels, never quite sits still for Raban. From the beginning, one has of him the impression of a curious and sensitive intelligence always on the move, always searching but never quite satisfied; of a constant analysing, an ordering, a seeking of permanent points of reference with a view to coming to some sort of stasis and final rest.

"I'm not deliberately concentrating on the English in this book, but there were an awful lot of them, and their histories do seem in many ways mirrors of mine. And of course I am trying to explain in a veiled way something about expatriation, about starting a new life, in an improbable place."

Such displacement is a part of Raban's life. And characters who experience these displacements are the subject of Raban's penetrating eye.

Why move away from London at all, I asked. Raban, after all, had an established literary life there, as writer, reviewer and critic. Much of the reason, he said, was to do with his former marriage in England and a new relationship in the US.

"London has also become a tougher and tougher city to live in. All these years of Conservative government have not helped to make it a kinder or gentler place."

He recalled, before moving, having tea with Gore Vidal.

"Ah yes, Seattle... the city that San Francisco says it is, but isn't," Gore said to me. It is the best one-line definition of this city I know.

"Living in Seattle is like living in London with the everyday difficulties removed. This is a big, bookish, literate, watery city. For a writer with semi-scholarly tastes, who likes the company of literary academics, this is a delightful place. When I was working on the *Oxford Book of the Sea*, for example, research in London would have been tiresome. Here, with excellent libraries and university facilities almost within walking distance, it was a breeze."

Was there anything about his Englishness that clashed with the American way of life, I wondered.

"I do hate having to explain myself all the time here. I was visiting England recently and listening to a political discussion on Radio Four. It struck me as perfectly extraordinary. It was so knowing and jocular, allusive, it assumed that the listener was absolutely au fait with what was going on. I loved it."

"The infuriating thing about



Home is Seattle. Maybe, says Jonathan Raban, at ease in the big, bookish, watery city

Interview

# Coasting over to settle in Seattle

Writer Jonathan Raban explains to Nicholas Woodsworth why he feels displaced

America is that we are assumed to know nothing. Nothing is taken for granted. Everybody has to start from scratch with everybody else. This is awful if you're English because you've been brought up with a rhetoric of habitual allusion and understatement.

"It is a language of nods and winks. Any mild irony or allusion I make at a party here will go off half-cock and land me in endless explanation."

Raban is a writer with a finely honed, almost angst-ridden sense of place. We talked for a while of the US he had encountered while floating down the Mississippi and written about in *Old Glory*, and of the more complex, fractured America he had discovered in *Theming Mister Heartbreak*. I asked him where he thought the country, with its political deceptions and shift to the right, was going today.

"The US is simply too huge, too varied, and exists on too many levels to make generalisations, he says - thus the tremendous void that

exists between the country's far-flung populations and the media and the federal government's pronouncements in Washington.

"I don't really believe in America. When I floated down the Mississippi I saw flags all over the place. This is a country that must put symbols forward to make itself feel a country - America has so many immigrants, is made up of so many conflicting localities, that it needs to mould a national identity."

"Washington deals in symbolic politics. I think it is very easy, in Washington and Congress, to make grand, angry gestures, such as 'screw the national endowment for the arts', or 'screw welfare', 'screw the liberal elite' or 'screw public broadcasting'. In other words, all the Newt Gingrich things now being said."

"City and state governments, which deal with the nuts and bolts of administration, are far more realistic. The more people hate and despise federal government - and they do - the more it will occupy

this realm of symbolic action. People can say grand things, which vent their prejudices, and produce figures like Newt Gingrich - a wholly symbolic person."

"What I hope for in America is more cautious, humane local gov-

ernment. If they want to blow hot air in Washington, it does not necessarily mean that America has gone all that distance to the right. I sometimes want to yell at the top of my voice that the America we see is generated by Washington DC and CNN in Atlanta - it is an artificial America."

Raban put down the coffee cup he was nursing, stood up and put on a jacket and an old black cotton baseball cap. "Would you like to come out and wander around? I never smoke inside."

Outside, he lit a cigarette in a garden soggy with winter rain, said "Hi" to the postwoman at the gate and flipped through the mail she handed him.

"You know, I would like to talk about small things, like picking up the mail or collecting my two-year-old daughter from day-care. You are asking me for an overview; I would prefer to give you an underview. I like an awareness of immediate things, an engagement with immediate stuff I did not have in London."

"Why didn't you?"

"I'm not sure. Maybe I was too much a part of it. I function best when I feel the angle between myself and the society I'm living in. I use my eyes and ears more here than I did in London. A writer is a defender of private life, of a small,

Raban put down the coffee cup he was nursing, stood up and put on a jacket and an old black cotton baseball cap. "Would you like to come out and wander around? I never smoke inside."

Outside, he lit a cigarette in a garden soggy with winter rain, said "Hi" to the postwoman at the gate and flipped through the mail she handed him.

"You know, I would like to talk about small things, like picking up the mail or collecting my two-year-old daughter from day-care. You are asking me for an overview; I would prefer to give you an underview. I like an awareness of immediate things, an engagement with immediate stuff I did not have in London."

"Why didn't you?"

"I'm not sure. Maybe I was too much a part of it. I function best when I feel the angle between myself and the society I'm living in. I use my eyes and ears more here than I did in London. A writer is a defender of private life, of a small,

The Nature of Things/Clive Cookson

# A smashing new atom

**S**cientists have recently created two new chemical elements, numbers 110 and 111, in a German atom-smasher. The discovery comes after a decade in which the number of known elements had remained stuck at 109.

The new elements survived for a very short time. Only a few atoms of each were produced at the Heavy Ion Research Laboratory in Darmstadt, and these disintegrated within a hundredth of a second. But the achievement has refocused scientific attention on what had become a sideline of nuclear physics: the study of super-heavy atoms.

Scientists now want to press on to element 114, which theorists say may be stable enough to last for many years. Although it could conceivably have applications as an ultra-dense material, any practical use of the research lies decades away. The main motivation is to pursue the understanding of nuclear physics.

To understand the search for new elements - the building blocks of chemistry - you may need to be

reminded briefly about the nature of the atom. Its nucleus contains positively charged protons packed tightly together with uncharged neutrons; a cloud of negatively charged electrons surrounds the nucleus, so that a complete atom has no overall charge.

The chemical behaviour of an atom depends on the number of protons in the nucleus, its so-called atomic number. The lightest element, hydrogen, has a single proton and an atomic number of one. The heaviest that occurs naturally on earth is uranium, number 92.

Heavier elements can be made artificially by combining nuclei in a nuclear reactor or atom-smasher. Those up to fermium (number 100) were created at the beginning of the nuclear age between 1940 and 1953. The most notorious is pluto-

nium (94) - once seen as a marvelous new source of atomic energy and now as a dangerous liability.

As more protons are squeezed into a heavy nucleus, it becomes increasingly unstable. All the artificial elements are therefore radioactive and disintegrate spontaneously into smaller fragments.

Elements above 100 are so unstable that it took scientists years of work to make a few short-lived atoms of each one. By 1984 they had crept up to number 109.

Unfortunately, the scientists still have to refer to their creations by number because the names are embroiled in controversy. The three research centres specialising in super-heavy elements - the Joint Institute for Nuclear Research in Dubna, Russia; Lawrence Berkeley Laboratory in California; and

Heavy Ion Research Laboratory in Germany - all suggested different names for 104 to 109, and no one likes the compromise list recommended by the International Union of Pure and Applied Chemistry.

For example, the American discoverers of 106 in 1974 had provisionally called it seaborgium after Glenn Seaborg, a leading US nuclear scientist. IUPAC rejected that, on the grounds that an element should not be named after a living person, and instead chose rutherfordium (after Ernest Rutherford who died in 1937).

Confusingly, rutherfordium was the Americans' working name for 104, which IUPAC wants to call dubnium after the Dubna laboratory. That proposal infuriates the US scientists because it appears to legitimise the disputed Russian

claim to have discovered 104.

The final IUPAC meeting to settle the names is scheduled for next August. With the Americans still lobbying hard against the recommendations, and the Russians and Germans unhappy, the session could be stormy.

Meanwhile, the science moves on. The Germans made 110 and 111 by firing nickel atoms (number 28) at lead (82) and bismuth (83) targets. They were able to fine-tune the beam so that the atoms had precisely the right energy to give the nuclei a chance of fusing together rather than bouncing apart.

Even when conditions are perfect, fusion occurs only once in billions of collisions. The German discovery of 111 was based on just three atoms created during a three-week experiment. The scientists

knew that they had made the new element because its pattern of radioactive decay exactly matched the theoretical prediction for 111.

The search for super-heavy elements needs to proceed step by step in numerical sequence, because the scientists do not know what conditions are required to create and detect each new one until they have made its predecessor. So the hunt is now on for 112.

The greatest trophy, however, will be 114. Its predicted stability lies in the way protons and neutrons are arranged in the atomic nucleus, in a concentric series of onion-like layers known as shells. Number 114 will be the first artificial element with all its shells full, an arrangement that should give it a long life.

Until 114 has actually been made we shall not know whether it lasts for a few seconds, billions of years, or somewhere in between. Even if 114 lives up to the most optimistic predictions of longevity, many years of research and a new production technology will be needed to build up supplies for large-scale physical and chemical testing.

Handwritten signature or mark at the bottom of the page.



## OFFSHORE AND OVERSEAS

| Unit  | Volume | Selling Price | Buying Price | • US |
|-------|--------|---------------|--------------|------|
| Cargo |        |               |              | -    |

| Royal Bank of Canada Q/S Fd Mgrs Ltd - Contd.   |  |         |  |               |
|---|--|---------|--|---------------|
| East Canadian Fd Ltd                            |  |         |  |               |
| Investment                                      |  | \$44.38 |  | \$4.85        |
| Capital Gain                                    |  | \$20.50 |  | \$2.25        |
| Dividend  |  | \$1.00  |  | \$0.10        |
| Yield   |  | 2.25%   |  | 2.25%         |
| Yield to Maturity                               |  | 2.25%   |  | 2.25%         |
| Yield to Call                                   |  | 2.25%   |  | 2.25%         |
| Yield to Put                                    |  | 2.25%   |  | 2.25%         |
| Yield to Redemption                             |  | 2.25%   |  | 2.25%         |
| Yield to Worst                                  |  | 2.25%   |  | 2.25%         |
| Yield to Maturity                               |  | 2.25%   |  | 2.25%         |
| Largest Fund Posn 24th Jan 1993 \$1,181,719,433 |  |         |  |               |
| Saratoga Funds Mgmt (Guernsey) Ltd              |  |         |  |               |
| PO Box 240, St Peter, Port, Guernsey            |  |         |  | 07-451 722000 |
| Investment                                      |  | \$44.38 |  | \$4.85        |
| Capital Gain                                    |  | \$20.50 |  | \$2.25        |
| Dividend  |  | \$1.00  |  | \$0.10        |
| Yield   |  | 2.25%   |  | 2.25%         |
| Yield to Maturity                               |  | 2.25%   |  | 2.25%         |
| Yield to Call                                   |  | 2.25%   |  | 2.25%         |
| Yield to Put                                    |  | 2.25%   |  | 2.25%         |
| Yield to Redemption                             |  | 2.25%   |  | 2.25%         |
| Yield to Worst                                  |  | 2.25%   |  | 2.25%         |
| Schroder Investment Mgmt (Guernsey) Ltd         |  |         |  |               |
| PO Box 240, St Peter, Port, Guernsey            |  |         |  | 07-451 722000 |
| Investment                                      |  | \$44.38 |  | \$4.85        |
| Capital Gain                                    |  | \$20.50 |  | \$2.25        |
| Dividend  |  | \$1.00  |  | \$0.10        |
| Yield   |  | 2.25%   |  | 2.25%         |
| Yield to Maturity                               |  | 2.25%   |  | 2.25%         |
| Yield to Call                                   |  | 2.25%   |  | 2.25%         |
| Yield to Put                                    |  | 2.25%   |  | 2.25%         |
| Yield to Redemption                             |  | 2.25%   |  | 2.25%         |
| Yield to Worst                                  |  | 2.25%   |  | 2.25%         |

| Product | Price | Price | Price | Price |
|---------|-------|-------|-------|-------|
|---------|-------|-------|-------|-------|

[illegible]

| Unit | Market | Trading | Trading | 5-yr | 7-yr |
|------|--------|---------|---------|------|------|
| Days |        | Price   | Price   | -    | -    |

|     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |      |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 100 | 101 | 102 | 103 | 104 | 105 | 106 | 107 | 108 | 109 | 110 | 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 119 | 120 | 121 | 122 | 123 | 124 | 125 | 126 | 127 | 128 | 129 | 130 | 131 | 132 | 133 | 134 | 135 | 136 | 137 | 138 | 139 | 140 | 141 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150 | 151 | 152 | 153 | 154 | 155 | 156 | 157 | 158 | 159 | 160 | 161 | 162 | 163 | 164 | 165 | 166 | 167 | 168 | 169 | 170 | 171 | 172 | 173 | 174 | 175 | 176 | 177 | 178 | 179 | 180 | 181 | 182 | 183 | 184 | 185 | 186 | 187 | 188 | 189 | 190 | 191 | 192 | 193 | 194 | 195 | 196 | 197 | 198 | 199 | 200 | 201 | 202 | 203 | 204 | 205 | 206 | 207 | 208 | 209 | 210 | 211 | 212 | 213 | 214 | 215 | 216 | 217 | 218 | 219 | 220 | 221 | 222 | 223 | 224 | 225 | 226 | 227 | 228 | 229 | 230 | 231 | 232 | 233 | 234 | 235 | 236 | 237 | 238 | 239 | 240 | 241 | 242 | 243 | 244 | 245 | 246 | 247 | 248 | 249 | 250 | 251 | 252 | 253 | 254 | 255 | 256 | 257 | 258 | 259 | 260 | 261 | 262 | 263 | 264 | 265 | 266 | 267 | 268 | 269 | 270 | 271 | 272 | 273 | 274 | 275 | 276 | 277 | 278 | 279 | 280 | 281 | 282 | 283 | 284 | 285 | 286 | 287 | 288 | 289 | 290 | 291 | 292 | 293 | 294 | 295 | 296 | 297 | 298 | 299 | 300 | 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 | 311 | 312 | 313 | 314 | 315 | 316 | 317 | 318 | 319 | 320 | 321 | 322 | 323 | 324 | 325 | 326 | 327 | 328 | 329 | 330 | 331 | 332 | 333 | 334 | 335 | 336 | 337 | 338 | 339 | 340 | 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | 349 | 350 | 351 | 352 | 353 | 354 | 355 | 356 | 357 | 358 | 359 | 360 | 361 | 362 | 363 | 364 | 365 | 366 | 367 | 368 | 369 | 370 | 371 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380 | 381 | 382 | 383 | 384 | 385 | 386 | 387 | 388 | 389 | 390 | 391 | 392 | 393 | 394 | 395 | 396 | 397 | 398 | 399 | 400 | 401 | 402 | 403 | 404 | 405 | 406 | 407 | 408 | 409 | 410 | 411 | 412 | 413 | 414 | 415 | 416 | 417 | 418 | 419 | 420 | 421 | 422 | 423 | 424 | 425 | 426 | 427 | 428 | 429 | 430 | 431 | 432 | 433 | 434 | 435 | 436 | 437 | 438 | 439 | 440 | 441 | 442 | 443 | 444 | 445 | 446 | 447 | 448 | 449 | 450 | 451 | 452 | 453 | 454 | 455 | 456 | 457 | 458 | 459 | 460 | 461 | 462 | 463 | 464 | 465 | 466 | 467 | 468 | 469 | 470 | 471 | 472 | 473 | 474 | 475 | 476 | 477 | 478 | 479 | 480 | 481 | 482 | 483 | 484 | 485 | 486 | 487 | 488 | 489 | 490 | 491 | 492 | 493 | 494 | 495 | 496 | 497 | 498 | 499 | 500 | 501 | 502 | 503 | 504 | 505 | 506 | 507 | 508 | 509 | 510 | 511 | 512 | 513 | 514 | 515 | 516 | 517 | 518 | 519 | 520 | 521 | 522 | 523 | 524 | 525 | 526 | 527 | 528 | 529 | 530 | 531 | 532 | 533 | 534 | 535 | 536 | 537 | 538 | 539 | 540 | 541 | 542 | 543 | 544 | 545 | 546 | 547 | 548 | 549 | 550 | 551 | 552 | 553 | 554 | 555 | 556 | 557 | 558 | 559 | 560 | 561 | 562 | 563 | 564 | 565 | 566 | 567 | 568 | 569 | 570 | 571 | 572 | 573 | 574 | 575 | 576 | 577 | 578 | 579 | 580 | 581 | 582 | 583 | 584 | 585 | 586 | 587 | 588 | 589 | 590 | 591 | 592 | 593 | 594 | 595 | 596 | 597 | 598 | 599 | 600 | 601 | 602 | 603 | 604 | 605 | 606 | 607 | 608 | 609 | 610 | 611 | 612 | 613 | 614 | 615 | 616 | 617 | 618 | 619 | 620 | 621 | 622 | 623 | 624 | 625 | 626 | 627 | 628 | 629 | 630 | 631 | 632 | 633 | 634 | 635 | 636 | 637 | 638 | 639 | 640 | 641 | 642 | 643 | 644 | 645 | 646 | 647 | 648 | 649 | 650 | 651 | 652 | 653 | 654 | 655 | 656 | 657 | 658 | 659 | 660 | 661 | 662 | 663 | 664 | 665 | 666 | 667 | 668 | 669 | 670 | 671 | 672 | 673 | 674 | 675 | 676 | 677 | 678 | 679 | 680 | 681 | 682 | 683 | 684 | 685 | 686 | 687 | 688 | 689 | 690 | 691 | 692 | 693 | 694 | 695 | 696 | 697 | 698 | 699 | 700 | 701 | 702 | 703 | 704 | 705 | 706 | 707 | 708 | 709 | 710 | 711 | 712 | 713 | 714 | 715 | 716 | 717 | 718 | 719 | 720 | 721 | 722 | 723 | 724 | 725 | 726 | 727 | 728 | 729 | 730 | 731 | 732 | 733 | 734 | 735 | 736 | 737 | 738 | 739 | 740 | 741 | 742 | 743 | 744 | 745 | 746 | 747 | 748 | 749 | 750 | 751 | 752 | 753 | 754 | 755 | 756 | 757 | 758 | 759 | 760 | 761 | 762 | 763 | 764 | 765 | 766 | 767 | 768 | 769 | 770 | 771 | 772 | 773 | 774 | 775 | 776 | 777 | 778 | 779 | 780 | 781 | 782 | 783 | 784 | 785 | 786 | 787 | 788 | 789 | 790 | 791 | 792 | 793 | 794 | 795 | 796 | 797 | 798 | 799 | 800 | 801 | 802 | 803 | 804 | 805 | 806 | 807 | 808 | 809 | 810 | 811 | 812 | 813 | 814 | 815 | 816 | 817 | 818 | 819 | 820 | 821 | 822 | 823 | 824 | 825 | 826 | 827 | 828 | 829 | 830 | 831 | 832 | 833 | 834 | 835 | 836 | 837 | 838 | 839 | 840 | 841 | 842 | 843 | 844 | 845 | 846 | 847 | 848 | 849 | 850 | 851 | 852 | 853 | 854 | 855 | 856 | 857 | 858 | 859 | 860 | 861 | 862 | 863 | 864 | 865 | 866 | 867 | 868 | 869 | 870 | 871 | 872 | 873 | 874 | 875 | 876 | 877 | 878 | 879 | 880 | 881 | 882 | 883 | 884 | 885 | 886 | 887 | 888 | 889 | 890 | 891 | 892 | 893 | 894 | 895 | 896 | 897 | 898 | 899 | 900 | 901 | 902 | 903 | 904 | 905 | 906 | 907 | 908 | 909 | 910 | 911 | 912 | 913 | 914 | 915 | 916 | 917 | 918 | 919 | 920 | 921 | 922 | 923 | 924 | 925 | 926 | 927 | 928 | 929 | 930 | 931 | 932 | 933 | 934 | 935 | 936 | 937 | 938 | 939 | 940 | 941 | 942 | 943 | 944 | 945 | 946 | 947 | 948 | 949 | 950 | 951 | 952 | 953 | 954 | 955 | 956 | 957 | 958 | 959 | 960 | 961 | 962 | 963 | 964 | 965 | 966 | 967 | 968 | 969 | 970 | 971 | 972 | 973 | 974 | 975 | 976 | 977 | 978 | 979 | 980 | 981 | 982 | 983 | 984 | 985 | 986 | 987 | 988 | 989 | 990 | 991 | 992 | 993 | 994 | 995 | 996 | 997 | 998 | 999 | 1000 |
| 100 | 101 | 102 | 103 | 104 | 105 | 106 | 107 | 108 | 109 | 110 | 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 119 | 120 | 121 | 122 | 123 | 124 | 125 | 126 | 127 | 128 | 129 | 130 | 131 | 132 | 133 | 134 | 135 | 136 | 137 | 138 | 139 | 140 | 141 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150 | 151 | 152 | 153 | 154 | 155 | 156 | 157 | 158 | 159 | 160 | 161 | 162 | 163 | 164 | 165 | 166 | 167 | 168 | 169 | 170 | 171 | 172 | 173 | 174 | 175 | 176 | 177 | 178 | 179 | 180 | 181 | 182 | 183 | 184 | 185 | 186 | 187 | 188 | 189 | 190 | 191 | 192 | 193 | 194 | 195 | 196 | 197 | 198 | 199 | 200 | 201 | 202 | 203 | 204 | 205 | 206 | 207 | 208 | 209 | 210 | 211 | 212 | 213 | 214 | 215 | 216 | 217 | 218 | 219 | 220 | 221 | 222 | 223 | 224 | 225 | 226 | 227 | 228 | 229 | 230 | 231 | 232 | 233 | 234 | 235 | 236 | 237 | 238 | 239 | 240 | 241 | 242 | 243 | 244 | 245 | 246 | 247 | 248 | 249 | 250 | 251 | 252 | 253 | 254 | 255 | 256 | 257 | 258 | 259 | 260 | 261 | 262 | 263 | 264 | 265 | 266 | 267 | 268 | 269 | 270 | 271 | 272 | 273 | 274 | 275 | 276 | 277 | 278 | 279 | 280 | 281 | 282 | 283 | 284 | 285 | 286 | 287 | 288 | 289 | 290 | 291 | 292 | 293 | 294 | 295 | 296 | 297 | 298 | 299 | 300 | 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 | 311 | 312 | 313 | 314 | 315 | 316 | 317 | 318 | 319 | 320 | 321 | 322 | 323 | 324 | 325 | 326 | 327 | 328 | 329 | 330 | 331 | 332 | 333 | 334 | 335 | 336 | 337 | 338 | 339 | 340 | 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | 349 | 350 | 351 | 352 | 353 | 354 | 355 | 356 | 357 | 358 | 359 | 360 | 361 | 362 | 363 | 364 | 365 | 366 | 367 | 368 | 369 | 370 | 371 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380 | 381 | 382 | 383 | 384 | 385 | 386 | 387 | 388 | 389 | 390 | 391 | 392 | 393 | 394 | 395 | 396 | 397 | 398 | 399 | 400 | 401 | 402 | 403 | 404 | 405 | 406 | 407 | 408 | 409 | 410 | 411 | 412 | 413 | 414 | 415 | 416 | 417 | 418 | 419 | 420 | 421 | 422 | 423 | 424 | 425 | 426 | 427 | 428 | 429 | 430 | 431 | 432 | 433 | 434 | 435 | 436 | 437 | 438 | 439 | 440 | 441 | 442 | 443 | 444 | 445 | 446 | 447 | 448 | 449 | 450 | 451 | 452 | 453 | 454 | 455 | 456 | 457 | 458 | 459 | 460 | 461 | 462 | 463 | 464 | 465 | 466 | 467 | 468 | 469 | 470 | 471 | 472 | 473 | 474 | 475 | 476 | 477 | 478 | 479 | 480 | 481 | 482 | 483 | 484 | 485 | 486 | 487 | 488 | 489 | 490 | 491 | 492 | 493 | 494 | 495 | 496 | 497 | 498 | 499 | 500 | 501 | 502 | 503 | 504 | 505 | 506 | 507 | 508 | 509 | 510 | 511 | 512 | 513 | 514 | 515 | 516 | 517 | 518 | 519 | 520 | 521 | 522 | 523 | 524 | 525 | 526 | 527 | 528 | 529 | 530 | 531 | 532 | 533 | 534 | 535 | 536 | 537 | 538 | 539 | 540 | 541 | 542 | 543 | 544 | 545 | 546 | 547 | 548 | 549 | 550 | 551 | 552 | 553 | 554 | 555 | 556 | 557 | 558 | 559 | 560 | 561 | 562 | 563 | 564 | 565 | 566 | 567 | 568 | 569 | 570 | 571 | 572 | 573 | 574 | 575 | 576 | 577 | 578 | 579 | 580 | 581 | 582 | 583 | 584 | 585 | 586 | 587 | 588 | 589 | 590 | 591 | 592 | 593 | 594 | 595 | 596 | 597 | 598 | 599 | 600 | 601 | 602 | 603 | 604 | 605 | 606 | 607 | 608 | 609 | 610 | 611 | 612 | 613 | 614 | 615 | 616 | 617 | 618 | 619 | 620 | 621 | 622 | 623 | 624 | 625 | 626 | 627 | 628 | 629 | 630 | 631 | 632 | 633 | 634 | 635 | 636 | 637 | 638 | 639 | 640 | 641 | 642 | 643 | 644 | 645 | 646 | 647 | 648 | 649 | 650 | 651 | 652 | 653 | 654 | 655 | 656 | 657 | 658 | 659 | 660 | 661 | 662 | 663 | 664 | 665 | 666 | 667 | 668 | 669 | 670 | 671 | 672 | 673 | 674 | 675 | 676 | 677 | 678 | 679 | 680 | 681 | 682 | 683 | 684 | 685 | 686 | 687 | 688 | 689 | 690 | 691 | 692 | 693 | 694 | 695 | 696 | 697 | 698 | 699 | 700 | 701 | 702 | 703 | 704 | 705 | 706 | 707 | 708 | 709 | 710 | 711 | 712 | 713 | 714 | 715 | 716 | 717 | 718 | 719 | 720 | 721 | 722 | 723 | 724 | 725 | 726 | 727 | 728 | 729 | 730 | 731 | 732 | 733 | 734 | 735 | 736 | 737 | 738 | 739 | 740 | 741 | 742 | 743 | 744 | 745 |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |      |

|  | Selling<br>Price | Buying<br>Price | 3-yr<br>" " |
|--|------------------|-----------------|-------------|
|--|------------------|-----------------|-------------|

| Yield                           |         | Gross |       |
|---------------------------------|---------|-------|-------|
| Master Bank Investment Services |         |       |       |
| Net Worth/Know Fd Plc           | \$12.47 | 12.86 | -0.39 |
| Interest Liquidity              | \$7.00  |       | +0.00 |
| Corporate High Income           | \$11.22 | 12.30 | -1.08 |
| Global Bond                     | \$10.44 | 11.82 | -1.38 |
| Common Stocks                   | \$10.03 |       |       |

Yield Korea Fund

**JERSEY (REGULATED)**

Active Selection Points 1 55.564 6.000 1+

|  |                                 |          |        |
|--|---------------------------------|----------|--------|
|  | UK Equity                       | \$298.75 | 67.14% |
|  | Spain Fund                      |          |        |
|  | International Bond #. 32        | \$87.56  | 95.2%  |
|  | JPM Asset Management (Investor) |          |        |

005 | 0.0 | **Global Network Fund (G)** | ASX:G20

|       |     |                      |           |     |
|-------|-----|----------------------|-----------|-----|
| 1.000 | 0.2 | Fish Super Growth Fd | \$21,1400 | 22  |
| 1.000 | 0.3 | Incarnum Plus        | \$20,4810 | 10  |
| 1.000 | 0.2 | Midstream Income     | \$1,0000  | 0.8 |
| 1.000 | 0.2 | Glennco Global Stock | \$15,0000 | 1.9 |
| 1.000 | 0.2 | Tobacco Growth       | \$7,9500  | 8.4 |
| 1.000 | 0.8 | Western Funds        | \$3,1400  | 3.2 |
| 1.000 | 0.8 | Asia-Thr Western     | \$3,1400  | 3.2 |

|       |      |       |
|-------|------|-------|
| 4.005 | 0.57 | 51.37 |
|       |      | 23.43 |

|    |      |      |                     |         |
|----|------|------|---------------------|---------|
| 00 | 0.00 | 7.44 | United European Bd  | \$5.41  |
| 00 | 0.00 | 8.34 | Starling Bond       | \$5.25  |
| 00 | 0.00 | -    | US Dollar Bond      | \$3.14  |
| 00 | 0.00 | -    | Yen Bond            | 7533    |
| 00 | 0.00 | -    | Liquid Reserve Fund | \$45.05 |
| 00 | 0.00 | -    | Deutschebank Pwr    | \$4.85  |

ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED  
DATE 10-10-2001 BY 60322 UCBAW

|       |      |
|-------|------|
| -0.02 | 1.87 |
| —     | 4.06 |
| —     | 6.11 |
| +2.06 | 2.06 |
| —     | 4.17 |
| —     | 4.53 |

... and ...

[illegible]



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

[illegible]



## WEEKEND INVESTOR

- **Results due next week**

| Company           | Sector    | Announcement Date | Last year interim | Dividend (¢) | This year interim |
|-------------------|-----------|-------------------|-------------------|--------------|-------------------|
| FINAL DIVIDENDS   |           |                   |                   |              |                   |
| Amoco             | Oil       | Friday            | -                 | 0.5          | -                 |
| Amco Energy       | Oil       | Thursday          | 1.5               | 1.5          | 1.5               |
| Amoco Chemicals   | Chem      | Monday            | -                 | -            | -                 |
| EMER              | Oil       | Tuesday           | 0.550             | 0.88         | 0.8075            |
| Propp             | Oil       | Thursday          | 0.7               | 1.50         | 0.75              |
| Propp             | Oil       | Friday            | 2.5               | 3.5          | 2.5               |
| EMER              | Oil       | Thursday          | 0.25              | 0.5          | 0.4               |
| Eng               | Oil       | Tuesday           | 7.0               | 15.0         | 7.0               |
| Eng               | Oil       | Thursday          | -                 | 1.5          | 1.25              |
| Eng               | Oil       | Tuesday           | -                 | -            | 2.7               |
| Eng               | Oil       | Friday            | 0.8               | 1.0          | 0.8               |
| Eng               | Oil       | Friday            | 4.2               | 9.25         | 4.25              |
| Eng               | Oil       | Wednesday         | 3.75              | 5.75         | 3.75              |
| Eng               | Oil       | Thursday          | 7.5               | 14.25        | 7.5               |
| Eng               | Oil       | Wednesday         | -                 | 0.25         | 0.5               |
| Eng               | Oil       | Monday            | 1.90              | 5.25         | 1.90              |
| Eng               | Oil       | Monday            | 2.9               | 5.75         | 2.9               |
| Eng               | Oil       | Friday            | 1.75              | 2.85         | 1.75              |
| Eng               | Oil       | Thursday          | 0.75              | 1.25         | 1.0               |
| Eng               | Oil       | Thursday          | 2.525             | 5.175        | 2.55              |
| Eng               | Oil       | Tuesday           | 0.25              | 0.75         | 0.50              |
| Eng               | Oil       | Wednesday         | -                 | -            | -                 |
| Eng               | Oil       | Friday            | 0.0               | 6.5          | 6.0               |
| Eng               | Oil       | Wednesday         | 0.0               | 2.4          | 2.5               |
| Eng               | Oil       | Wednesday         | -                 | -            | -                 |
| Eng               | Oil       | Tuesday           | -                 | -            | -                 |
| Eng               | Oil       | Friday            | 0.75              | 1.0          | 0.75              |
| Eng               | Oil       | Friday            | 2.25              | 3.75         | 2.25              |
| Eng               | Oil       | Wednesday         | 2.85              | 5.45         | 3.1               |
| Eng               | Oil       | Thursday          | -                 | -            | -                 |
| Eng               | Oil       | Monday            | 1.75              | 5.25         | 1.75              |
| Eng               | Oil       | Wednesday         | 0.45              | 1.04         | 0.525             |
| Eng               | Oil       | Monday            | 0.025             | 0.0275       | 0.02575           |
| Eng               | Oil       | Monday            | -                 | -            | -                 |
| Eng               | Oil       | Tuesday           | 2.25              | 5.0          | 2.7               |
| Eng               | Oil       | Wednesday         | 2.2               | 5.7          | 2.2               |
| Eng               | Oil       | Friday            | -                 | 1.25         | 0.5               |
| Eng               | Oil       | Monday            | 1.2               | 2.75         | 1.5               |
| Eng               | Oil       | Tuesday           | 0.006             | 0.0135       | 0.006             |
| Eng               | Oil       | Wednesday         | 1.7               | 3.7          | 1.7               |
| Eng               | Oil       | Tuesday           | -                 | 1.7          | -                 |
| Eng               | Oil       | Monday            | 3.5               | 8.5          | 3.5               |
| Eng               | Oil       | Monday            | 3.8               | 5.4          | 3.8               |
| Eng               | Oil       | Wednesday         | -                 | -            | -                 |
| Eng               | Oil       | Monday            | -                 | -            | 1.5               |
| Eng               | Oil       | Tuesday           | -                 | -            | -                 |
| Eng               | Oil       | Tuesday           | -                 | 0.4          | -                 |
| Eng               | Oil       | Tuesday           | 1.85              | 3.35         | 2.0               |
| Eng               | Oil       | Monday            | -                 | -            | -                 |
| Eng               | Oil       | Monday            | 0.5               | 7.5          | 1.75              |
| Eng               | Oil       | Tuesday           | 1.2               | 2.6          | 1.2               |
| Eng               | Oil       | Monday            | 5.0               | 9.0          | 5.0               |
| Eng               | Oil       | Monday            | -                 | 9.0          | -                 |
| Eng               | Oil       | Monday            | 1.0               | 2.5          | -                 |
| Eng               | Oil       | Thursday          | 0.03              | 0.0812       | 0.03              |
| Eng               | Oil       | Tuesday           | -                 | -            | -                 |
| Eng               | Oil       | Friday            | -                 | -            | -                 |
| Eng               | Oil       | Monday            | 1.0               | 1.0          | 0.5               |
| Eng               | Oil       | Monday            | 2.75              | 4.5          | 2.75              |
| Eng               | Oil       | Monday            | -                 | -            | 0.5               |
| Eng               | Oil       | Tuesday           | 3.5               | 9.0          | 2.65              |
| Eng               | Oil       | Monday            | 0.25              | 0.25         | -                 |
| Eng               | Oil       | Monday            | 0.35              | 0.74         | 0.41              |
| Eng               | Oil       | Tuesday           | 7.44              | 2.4          | 1.7               |
| Eng               | Oil       | Thursday          | -                 | 0.35         | -                 |
| Eng               | Oil       | Thursday          | 0.45              | 0.5          | -                 |
| Eng               | Oil       | Wednesday         | 1.3               | 2.83         | 1.3               |
| Eng               | Oil       | Thursday          | -                 | 2.0          | 1.0               |
| Eng               | Oil       | Monday            | -                 | -            | -                 |
| Eng               | Oil       | Monday            | 3.5               | 8.0          | 3.5               |
| Eng               | Oil       | Monday            | 2.04              | 2.83         | 2.04              |
| Eng               | Oil       | Monday            | 1.19              | 2.0          | 1.15              |
| Eng               | Oil       | Monday            | 1.5               | 4.0          | 2.75              |
| Eng               | Oil       | Thursday          | -                 | -            | -                 |
| Eng               | Oil       | Wednesday         | 4.71              | 0.82         | 4.71              |
| Eng               | Oil       | Tuesday           | 24.0              | 0.5          | 13.5              |
| Eng               | Oil       | Monday            | 0.5               | 1.5          | 0.5               |
| Eng               | Oil       | Monday            | 5.275             | 7.825        | 5.75              |
| Eng               | Oil       | Monday            | 2.25              | 3.75         | 2.7               |
| Eng               | Oil       | Monday            | 0.25              | 0.2          | 0.2               |
| Eng               | Oil       | Friday            | 2.0               | 1.5          | 2.0               |
| Eng               | Oil       | Monday            | 1.58              | 3.63         | 1.58              |
| Eng               | Oil       | Monday            | 5.0               | 7.0          | 5.2               |
| Eng               | Oil       | Monday            | 1.55              | 16.75        | 8.25              |
| Eng               | Oil       | Tuesday           | -                 | -            | -                 |
| Eng               | Oil       | Tuesday           | 1.75              | 2.5          | 1.8               |
| Eng               | Oil       | Monday            | -                 | 3.6          | 1.75              |
| Eng               | Oil       | Monday            | -                 | 1.6          | 1.6               |
| Eng               | Oil       | Monday            | 0.5               | 1.25         | 1.0               |
| Eng               | Oil       | Thursday          | 0.27              | 0.8          | 0.3               |
| Eng               | Oil       | Monday            | -                 | -            | -                 |
| Eng               | Oil       | Friday            | 1.6575            | 2.1375       | 1.8               |
| Eng               | Oil       | Wednesday         | -                 | -            | -                 |
| Eng               | Oil       | Thursday          | 1.26              | 2.1          | 1.3               |
| Eng               | Oil       | Tuesday           | 1.9               | 4.5          | 2.1               |
| Eng               | Oil       | Monday            | 1.5               | 0.5          | 1.7               |
| Eng               | Oil       | Thursday          | 1.0               | 0.5          | 0.25              |
| Eng               | Oil       | Friday            | -                 | -            | -                 |
| Eng               | Oil       | Monday            | 2.5               | 3.8          | -                 |
| Eng               | Oil       | Thursday          | 0.25              | 0.5          | 0.5               |
| Eng               | Oil       | Friday            | -                 | -            | -                 |
| Eng               | Oil       | Monday            | 0.13              | 0.32         | 0.30              |
| Eng               | Oil       | Tuesday           | 0.5               | 1.0          | 0.75              |
| Eng               | Oil       | Monday            | -                 | -            | -                 |
| Eng               | Oil       | Monday            | -                 | 3.8          | -                 |
| Eng               | Oil       | Tuesday           | 4.5               | 5.7          | 5.0               |
| Eng               | Oil       | Thursday          | -                 | 1.04         | 1.58              |
| Eng               | Oil       | Monday            | 6.25              | 4.75         | 7.5               |
| Eng               | Oil       | Monday            | -                 | -            | -                 |
| Eng               | Oil       | Friday            | -                 | -            | -                 |
| Eng               | Oil       | Friday            | 1.0               | 2.5          | 1.5               |
| Eng               | Oil       | Friday            | 0.0110            | 0.0184       | 0.0125            |
| INTERIM DIVIDENDS |           |                   |                   |              |                   |
| Enr               | Monday    | 3.0               | -                 | -            | -                 |
| Enr               | Wednesday | 2.1               | 5.4               | -            | -                 |
| Enr               | Tuesday   | 1.25              | 1.75              | -            | -                 |
| Enr               | Tuesday   | 1.7               | 3.7               | -            | -                 |
| Enr               | Thursday  | 3.5               | 9.0               | -            | -                 |
| Enr               | Thursday  | 3.2               | 2.25              | -            | -                 |
| Enr               | Thursday  | 0.0               | 13.2              | -            | -                 |
| Enr               | Monday    | 0.1               | 0.14              | -            | -                 |
| Enr               | Tuesday   | 2.0               | 5.8               | -            | -                 |
| Enr               | Thursday  | -                 | -                 | -            | -                 |
| Enr               | Friday    | 0.0               | 0.0               | 2.5          | -                 |
| Enr               | Friday    | 2.4               | 5.4               | -            | -                 |
| Enr               | Wed       | 3.12              | 3.12              | -            | -                 |
| Enr               | Wed       | 6.5               | 14.5              | -            | -                 |
| Enr               | Wed       | 0.5               | 1.2               | -            | -                 |
| Enr               | Wed       | 0.75              | 2.0               | -            | -                 |
| Enr               | Wed       | -                 | -                 | -            | -                 |
| Enr               | Wed       | 0.5               | 1.5               | -            | -                 |
| Enr               | Wed       | 1.36              | 1.51              | -            | -                 |
| Enr               | Wed       | 1.0               | 2.2               | -            | -                 |
| Enr               | Wed       | 2.22              | 5.78              | -            | -                 |

### ■ Last week's preliminary results

[illegible]

## Directors' dealings

Results this week were as expected, but dividends outstripped forecasts, *writes Vivien MacDonald of the Inside Track*.

□ Price performance at Serco, the support services group, has been flat, but final results were good. David Perkins, finance director, sold 10 per cent of his stake (100,000 shares) at 253p.

□ MTL Instruments, which makes explosion protection instruments, announced satisfactory final results. Christian Oudar, an executive director, sold 250,000 shares at 295p.

### ■ Directors' share transactions in their own companies

| Company             | Sector | Shares    | Value<br>£'000 | No of<br>directors |
|---------------------|--------|-----------|----------------|--------------------|
| <b>SALES</b>        |        |           |                |                    |
| Barbour Index       | Media  | 10,000    | 18             | 1                  |
| Black               | Elec   | 100,000   | 450            | 1                  |
| Daily Mail & Gen    | Media  | 55,000    | 571            | 1                  |
| Gert (SR)           | Text   | 148,000   | 130            | 1                  |
| Grosvenor Inns      | Brew   | 200,000   | 326            | 2                  |
| Guinness Peat Grp   | OTHF   | 87,500    | 22             | 1                  |
| Jmson Fry Utilities | InvT   | 13,650    | 13             | 1                  |
| Litho Supplies      | Dist   | 18,250    | 30             | 1                  |
| London Clubs Intl   | LJHl   | 6,666     | 18             | 1                  |
| MTL Instrument      | Elec   | 250,000   | 738            | 1                  |
| Oliver Group        | RetG   | 25,000    | 23             | 1                  |
| RPS Group           | SSer   | 16,667    | 14             | 1                  |
| Sainsbury (J)       | RetF   | 42,836    | 175            | 2                  |
| Senco Group         | SSer   | 100,000   | 263            | 1                  |
| Singers/Friedlander | MBnk   | 40,000    | 33             | 1                  |
| Takara              | Hlth   | 17,400    | 34             | 1                  |
| Tomkins             | Divl   | 9,020     | 21             | 1                  |
| Unilever Group      | FDlM   | 7,500     | 89             | 1                  |
| Vega Group          | SSer   | 4,610     | 11             | 1                  |
| Wellington Holdings | Eng    | 12,000    | 23             | 2                  |
| Medeva              | Phrm   | 234,006   | 448            | 1                  |
| Thorn EMI           | LJHl   | 45,853    | 468            | 1                  |
| <b>PURCHASES</b>    |        |           |                |                    |
| Carlisle Group      | OTHF   | 66,500    | 11             | 1                  |
| Cementone           | Chem   | 50,000    | 19             | 1                  |
| Christies Int       | RetG   | 20,000    | 26             | 1                  |
| Claythorpe          | OTHF   | 60,000    | 38             | 2                  |
| Eastern Group       | Elec   | 3,000     | 18             | 1                  |
| Fleming Enterprise  | InvT   | 10,000    | 20             | 1                  |
| Hall Engineering    | Eng    | 610,000   | 854            | 5                  |
| Hawtin              | Divl   | 55,000    | 14             | 1                  |
| INVESCO Korea       | InvT   | 8,000     | 10             | 1                  |
| Inspec Group        | Chem   | 6,000     | 14             | 1                  |
| Insulators          | LJHl   | 25,000    | 33             | 1                  |
| King & Shaxson      | OTHF   | 50,000    | 43             | 1                  |
| Medeva              | Phrm   | 10,000    | 20             | 2                  |
| Meyer Intl          | BMAM   | 3,665     | 11             | 1                  |
| Oliver Group        | RetG   | 11,131    | 11             | 1                  |
| P & P               | SSer   | 21,868    | 18             | 1                  |
| PWS Holdings        | Insu   | 367,143   | 61             | 5                  |
| Pentland Group      | Text   | 20,000    | 21             | 1                  |
| PowerGen            | Elec   | 5,500     | 28             | 3                  |
| Sieba               | Eng    | 2,500     | 13             | 1                  |
| Spendax             | BCOn   | 50,000    | 160            | 1                  |
| Tibury Douglas      | BCOn   | 16,030    | 75             | 2                  |
| Union               | OTHF   | 435,000   | 305            | 2                  |
| Vistac Group        | SSer   | 1,000,000 | 130            | 1                  |

### ■ Last week's interim results

| Company                   | Sector | Start year to | Pre-tax<br>profit (\$'000) | Interest dividend<br>per share (\$) |
|---------------------------|--------|---------------|----------------------------|-------------------------------------|
| Bailett Group Japan       | Int'l  | Febr          | 985 (767.4)                | - (f)                               |
| Bentley Engineering, Euro | Int'l  | Mar71         | 596 (3)                    | - (f)                               |
| Bentley Developments      | Int'l  | Mar71         | 16,100 (11,300)            | 2.5 (2.0)                           |
| Bentley Engineering, Ind  | Int'l  | Mar71         | 200 (7)                    | - (f)                               |
| Bentley Holdings          | Int'l  | Dec           | 148 L (486 L)              | - (f)                               |
| Bentley                   | Int'l  | Dec           | 12,600 (6,200 L)           | - (f)                               |
| Charnell                  | Dist   | Dec64         | 54,800 (24,000)            | 10.2 (15.5)                         |
| Charnell                  | Dist   | Dec64         | 1,700 (10)                 | 0.78 (f)                            |
| Chen Group                | Int'l  | Nov           | 7,400 (80)                 | 2.8 (2.7)                           |
| Darmouth Inc Trust        | Int'l  | Dec           | 12,276 (3,516)             | 1.3 (1.1)                           |
| Dunlop, Macleod           | Int'l  | Mar71         | 1,200 (120)                | 1.3 (1.1)                           |
| Dunlop, Macleod           | Int'l  | Mar71         | 5,276 (3,516)              | 1.3 (1.1)                           |
| Edinburgh, Dunlop Ind     | Int'l  | Febr          | 99,87 (126.7)              | - (f)                               |
| F&S US Smaller Co's       | Int'l  | Dec           | 10,525 (10,52)             | - (f)                               |
| Ferguson & Allison        | Int'l  | Jan           | 1,600 (1,600)              | 86.0 (86.0)                         |
| Frederick Cooper          | Int'l  | Jan           | 76 (303)                   | 0.8 (0.8)                           |
| Graham (M) Group          | Int'l  | Jan           | 3,294 (4,100)              | 5.55 (5.25)                         |
| Graham (M) Group          | Int'l  | Jan           | 76 (303)                   | 0.45 (f)                            |
| Henderson Smith, John     | Int'l  | Febr          | 0.87 (f)                   | - (f)                               |
| IAF Group                 | Int'l  | Febr          | 754 (712)                  | 0.2 (f)                             |
| ISS, Oryson Inc Trust     | Int'l  | Jan71         | 75.0 (95.1)                | - (f)                               |
| Investments Japan Inc     | Int'l  | Jan71         | 69.6 (58.7)                | 2.7 (2.2)                           |
| Liquid Group              | Int'l  | Jan           | 44,500 (20,100)            | 2.1 (2.1)                           |
| Liquid Industries         | Int'l  | Jan71         | 3,940 (2,525)              | 2.1 (1.9)                           |
| ML Holdings               | Int'l  | Feb           | 1,570 (1,720)              | 2.0 (1.5)                           |
| Marguerite Group          | Int'l  | Jan           | 1,570 (1,720)              | 2.45 (2.45)                         |
| Marguerite (Ind)          | Int'l  | Jan71         | 57.1 (114.8)               | 0.25 (f)                            |
| ML Smaller Assn           | Int'l  | Mar71         | 11,200 (13,000)            | 2.55 (2.45)                         |
| Prudential Trust          | Int'l  | Mar71         | 76.4 (97.5)                | 1.0 (2.25)                          |
| Prudential Trust          | Int'l  | Mar71         | 3,659 (1,675)              | 2.0 (f)                             |
| Ricardo Group             | Int'l  | Nov           | 754 (453 L)                | - (f)                               |
| Schroder Japan Growth     | Int'l  | Mar71         | 75.4 (f)                   | - (f)                               |
| Schroder Growth Ind       | Int'l  | Nov           | 4,200 (3,550)              | 1.0 (0.95)                          |
| Schroder Japan Growth     | Int'l  | Nov           | 2,679 (2,449)              | 1.0 (0.95)                          |
| UK Estates                | Int'l  | Dec           | 530 (290 L)                | 0.1 (f)                             |
| Westcott Group            | Int'l  | Jan           | 270 (260)                  | 1.25 (f)                            |
| Wills Group               | Int'l  | Dec           | 1,105 (1,115)              | 0.15 (1.15)                         |

Figures in parentheses are for the preceding financial year. (\*) Denotes are shown net prices per share.  
 1. 1971-72 financial year. 2. 1971-72 financial year. 3. 1971-72 financial year. 4. 1971-72 financial year. 5. 1971-72 financial year. 6. 1971-72 financial year. 7. 1971-72 financial year. 8. 1971-72 financial year. 9. 1971-72 financial year. 10. 1971-72 financial year. 11. 1971-72 financial year. 12. 1971-72 financial year. 13. 1971-72 financial year. 14. 1971-72 financial year. 15. 1971-72 financial year. 16. 1971-72 financial year. 17. 1971-72 financial year. 18. 1971-72 financial year. 19. 1971-72 financial year. 20. 1971-72 financial year. 21. 1971-72 financial year. 22. 1971-72 financial year. 23. 1971-72 financial year. 24. 1971-72 financial year. 25. 1971-72 financial year. 26. 1971-72 financial year. 27. 1971-72 financial year. 28. 1971-72 financial year. 29. 1971-72 financial year. 30. 1971-72 financial year. 31. 1971-72 financial year. 32. 1971-72 financial year. 33. 1971-72 financial year. 34. 1971-72 financial year. 35. 1971-72 financial year. 36. 1971-72 financial year. 37. 1971-72 financial year. 38. 1971-72 financial year. 39. 1971-72 financial year. 40. 1971-72 financial year. 41. 1971-72 financial year. 42. 1971-72 financial year. 43. 1971-72 financial year. 44. 1971-72 financial year. 45. 1971-72 financial year. 46. 1971-72 financial year. 47. 1971-72 financial year. 48. 1971-72 financial year. 49. 1971-72 financial year. 50. 1971-72 financial year. 51. 1971-72 financial year. 52. 1971-72 financial year. 53. 1971-72 financial year. 54. 1971-72 financial year. 55. 1971-72 financial year. 56. 1971-72 financial year. 57. 1971-72 financial year. 58. 1971-72 financial year. 59. 1971-72 financial year. 60. 1971-72 financial year. 61. 1971-72 financial year. 62. 1971-72 financial year. 63. 1971-72 financial year. 64. 1971-72 financial year. 65. 1971-72 financial year. 66. 1971-72 financial year. 67. 1971-72 financial year. 68. 1971-72 financial year. 69. 1971-72 financial year. 70. 1971-72 financial year. 71. 1971-72 financial year. 72. 1971-72 financial year. 73. 1971-72 financial year. 74. 1971-72 financial year. 75. 1971-72 financial year. 76. 1971-72 financial year. 77. 1971-72 financial year. 78. 1971-72 financial year. 79. 1971-72 financial year. 80. 1971-72 financial year. 81. 1971-72 financial year. 82. 1971-72 financial year. 83. 1971-72 financial year. 84. 1971-72 financial year. 85. 1971-72 financial year. 86. 1971-72 financial year. 87. 1971-72 financial year. 88. 1971-72 financial year. 89. 1971-72 financial year. 90. 1971-72 financial year. 91. 1971-72 financial year. 92. 1971-72 financial year. 93. 1971-72 financial year. 94. 1971-72 financial year. 95. 1971-72 financial year. 96. 1971-72 financial year. 97. 1971-72 financial year. 98. 1971-72 financial year. 99. 1971-72 financial year. 100. 1971-72 financial year. 101. 1971-72 financial year. 102. 1971-72 financial year. 103. 1971-72 financial year. 104. 1971-72 financial year. 105. 1971-72 financial year. 106. 1971-72 financial year. 107. 1971-72 financial year. 108. 1971-72 financial year. 109. 1971-72 financial year. 110. 1971-72 financial year. 111. 1971-72 financial year. 112. 1971-72 financial year. 113. 1971-72 financial year. 114. 1971-72 financial year. 115. 1971-72 financial year. 116. 1971-72 financial year. 117. 1971-72 financial year. 118. 1971-72 financial year. 119. 1971-72 financial year. 120. 1971-72 financial year. 121. 1971-72 financial year. 122. 1971-72 financial year. 123. 1971-72 financial year. 124. 1971-72 financial year. 125. 1971-72 financial year. 126. 1971-72 financial year. 127. 1971-72 financial year. 128. 1971-72 financial year. 129. 1971-72 financial year. 130. 1971-72 financial year. 131. 1971-7

## In the Pink

# Going for growth can make you rich – eventually

You can once again find good companies at highly attractive prices in the emerging markets, says **John Train**

**T**hat vast sucking sound that you detect in the overseas markets has an analogy in history. For centuries the Roman legions stabilised much of Europe, maintaining orderly government and holding off the fierce tribes to the east, or, in England, the north and west. Eventually, the legions were progressively pulled back, leaving confusion behind!

so far that yields were unattractive, investors switched to bonds to maintain income. Then, noticing that the emerging markets had been bubbling for some time, they had flings in Asia and South America, followed by excursions into tertiary markets that once would have been beyond contemplation. For the latecomers, it was weak, speculative buying, typical top-of-a-bull-market froth. This was highly satisfactory

area), State Street Trust, and our old friends Citibank and IBM.

A consolation for the investor who wants to participate in the high growth of the emerging economies but who has been bothered by volatility in those markets is that he is getting exposure to them through these great growth companies.

Companies such as Citibank, Coca-Cola, Gillette, McDonald's, and Motorola

To be sure, a bear market does not end until there has been an almost audible flushing out of previous speculative sentiment, when nobody even wants to talk about stocks. People feel poor.

It would be strange if this cycle was unlike previous ones, so such a flushing out is what I am waiting for.

Nevertheless, you can never hope to catch the exact low point, and it does not necessarily happen in every differ-

Similarly, foreign portfolio investment is for the moment pulling back from the developing world. Troubled by the discrediting of China, confusion in Russia, the messes in Mexico, and, of course, the collapse of mighty Barings, the battered speculator decides to pull in his horns and go back to a more or less sure thing. In fact, of course, the values

Companies such as Coca-Cola, Gillette and Motorola dole out portions of their profits to their overseas operations, which are univer-

h as Citibank,  
ette, McDonald's  
derive most  
from  
operations,  
ersal

ent sector at once. First one group comes out, and then another group bottoms out, and then they start coming back one by one.

There are two other concepts that could also be attractive: buy bonds now, and cyclical stocks after they bottom out. My own training and experience is in equities, so although, for all I know, South American Brady bonds may

in some of the emerging markets are much better than they were a year ago. You can once again find good companies at highly attractive prices. International fund manager Peter Gruber claims that to equal some of the bargains in Latin America, notably Argentina, the Dow would have to fall to 1,000.

for the country analysts who ventured out first and plucked the choicest blooms. It has been painful for the laggards who, following after, paid much too much for assets whose value they did not understand, in countries they did not know.

So, what next? Answer: predictable growth and safety -

derive most of their profits from their overseas operations, which are universal. The biggest McDonald's in the world used to be in Beijing; now it's in Moscow.

There are several arguments against the "flight to quality" thesis. One is that these stocks have risen from their lows already. However,

As to cyclical, the biggest bounce out of the bottom occurs in such volatile groups as the auto companies, and metals. So in theory, one should try to buy them near the turn, and then switch to growth stocks at the right moment.

will be harder for brokers to sell this idea to customers than when everything was going up too far. And since outside money was the fuel of economic expansion in many developing countries, there could be a downward spiral. In a credit squeeze, companies sell assets at prices set by the buyers. Still, although the local markets have fallen so

As it happens, the great American growth stocks do offer these qualities, at a fair price. It is not hard to put together a list of ten of the bluest conceivable blue chips, with a collective growth rate of, let us say, 13 per cent to 15 per cent, selling at little more than their own prospective price/earnings ratios — a rare

THE

COLVIN WOODS

STRATEGIC

RISK CONTROLLED

DERIVATIVE

## THE COLVIN WOODS DERIVATIVES FUND

The Colvin Woods Derivatives Fund is designed to provide effective diversification for traditional portfolios through the strategic use of derivatives. The fund's objective is to optimise returns for our clients by identifying potential gains in the global commodity, currency, equity and bond markets at an acceptable level of risk.

- A Balanced Combination of Specialist Traders
- Target Net Return 20-25%
- Potential to Profit from Falling Markets
- Highly Developed Risk Management Controls
- Controlled Application of Leverage
- Minimum Subscription \$25,000


**COLVIN WOODS**  
**DERIVATIVES FUND LIMITED**

---

Issued by Rudolf Wolff & Co. Ltd. Plantation House, 31-35 Fenchurch Street, London EC3M3DX.  
 Telephone: 0171-626 8765 Direct Line: 0171 962 1697 Facsimile: 0171-962 1739

---

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 PostCode \_\_\_\_\_ Telephone: \_\_\_\_\_

  
**RUDOLF WOLFF**  
FT 25 97

The protections afforded to investors under the UK regulatory system do not apply to investments made in the above fund. In addition, compensation under the investors compensation scheme is not available to investors in the Coltrin Woods Derivatives Fund.



# Weekend Investor

Wall Street

## Slowdown lifts the market's spirits

There is widespread agreement that the Fed will peg interest rates, says Maggie Urry

Spring arrived in New York this week, and Wall Street has continued to hit new highs. Never mind that the trade deficit has exploded, or that the dollar is falling. The economy is slowing and that is all the stock market cares about.

There is widespread agreement that the Federal Reserve will not raise interest rates at its Open Market Committee meeting next Tuesday. There is a strong chance it will hold rates steady at its May meeting too. That would be an encouraging departure from the pattern of increases at alternate meetings started last February.

The growing expectation that interest rates will stand still is based on many signs of an economic slowdown, including yesterday's news of a fall in orders for durable goods. In its way, the jump in the trade deficit, from \$7.3bn in December to \$12.2bn in January, reported on Wednesday, is another indication of lower economic activity as it revealed a fall in exports.

Some strategists still doubt whether the so-called soft landing for the economy - combining slower growth with low inflation - is achievable. Peter Canelo, strategist at NatWest Securities, says that since the second world war, the US economy has only once maintained a slow growth rate for long.

Usually, he says, after a couple of quarters of slower growth the economy either picks up again or tips into recession. This time he expects a re-acceleration in the summer, which could mean the Fed will need to raise interest rates again in July.

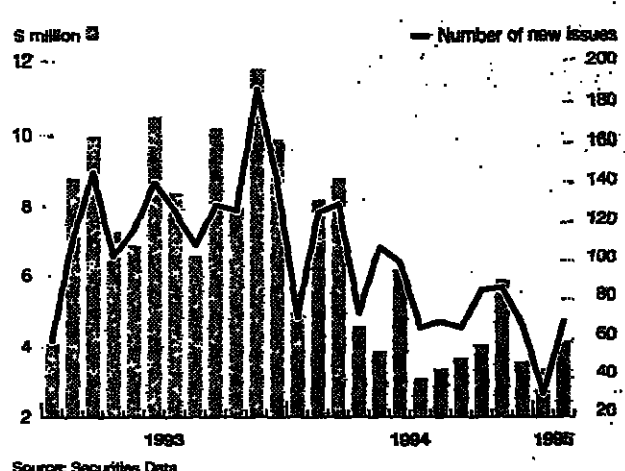
Although the market keeps making records, there has been a sharp decline in the number and value of new equity issues which began in April last year, shortly after the Fed began lifting interest rates.

New issues were strong in the early 1990s, encouraged by the flood of money into mutual funds. That began when interest rates fell so low that investors could get a higher yield from equities than they from money market investments. And they had the chance of a capital gain from shares.

Last year as short-term interest rates rose the flow of money slowed down. If rates were to increase much more, the flow could be reversed.

The markets are clearly not as receptive to initial public offerings as they were. Invest-

### Decline in new issues of US common stock



ment bankers say that institutional investors have plenty of cash, and will invest in issues they like, but are being choosy because they have lost money in several deals.

Earlier this month Fort Howard, a tissue company, raised \$80m through an IPO. But the underwriters had to cut the issue price to attract buyers for the shares, from the target range of \$14 to \$16 to a final price of \$12 a share.

On Wednesday night Circle K, the convenience store group, priced its \$100m offer at the bottom of the indicated range of \$16 to \$18, and the price stayed at the \$16 level on the first day of trading.

From the companies' point of view, the new issue route is preferable when stock market investors are prepared to pay a higher price than can be obtained through a private sale. A conglomerate might float off a subsidiary rather than sell it to another company.

Now the reverse is happening and companies can achieve better prices for their unwanted activities through a trade sale. Three large IPOs have recently been abandoned in favour of trade sales: Elf Aquitaine had planned to float its Texasgulf subsidiary but sold it for a much higher price to the Canadian Potash company; a float of Clark Equipment's 50 per cent stake in VME was cancelled when Volvo, the joint venture partner, bought it instead; and Midgard Energy dropped the IPO of its Maxus Energy subsidiary, in favour of a sale to an Argentinian company.

This week Unisys sold its

defence arm for \$862m to Loral, after a lively auction with at least two other serious buyers. Here, though, an IPO of the business would have been unlikely as the defence industry is consolidating. This makes mergers more probable.

Although investment banks are reporting good levels of mergers and acquisition business, for deals like these, underwriters of new issues of equity and debt have suffered badly and the profits of securities houses have declined over the last few quarters.

Lehman Brothers, the first to report on the early part of 1995 because of its November financial year end, managed a slight increase in first quarter profits. This is the first sign that the savage cost-cutting the brokers have been conducting is paying off.

But Lehman's glimmer of good news was more than offset by a blow from the Moody's Investor Services credit rating agency. Moody's cut Lehman's long-term debt rating to below the critical single-A. Lehman estimated its cost of borrowing would rise by between \$50m and \$100m a year in consequence and its shares fell 6 per cent in a day.

As Moody's said, the downgrading of Lehman reflected a worsening of conditions for the industry. The next victim could be Salomon, whose credit rating is already under review by Moody's.

**Dow Jones Ind Average**  
Monday 4,083.68 +10.03  
Tuesday 4,072.61 -11.07  
Wednesday 4,082.89 +10.38  
Thursday 4,087.53 +4.84  
Friday

London

## The Footsie also rises

Phillip Coggan charts a surprise breakthrough

behind, the average passed through 4,100 during London trading hours yesterday.

The UK may be a member of the European Union but in stock market terms it is a province of the US.

Certainly, London was able to ignore the fact that the German market fell to its lowest level since October 1993 this week (as, indeed, it was untouched by the Nikkei 225's decline below 16,000).

The theory that economic "soft landing" can be achieved on both sides of the Atlantic has gained ground in recent weeks. A soft landing would be the best of all possible outcomes in which economic growth slowed from its heady 4-4.5 per cent pace (thus heading off the threat of inflation) while avoiding recession.

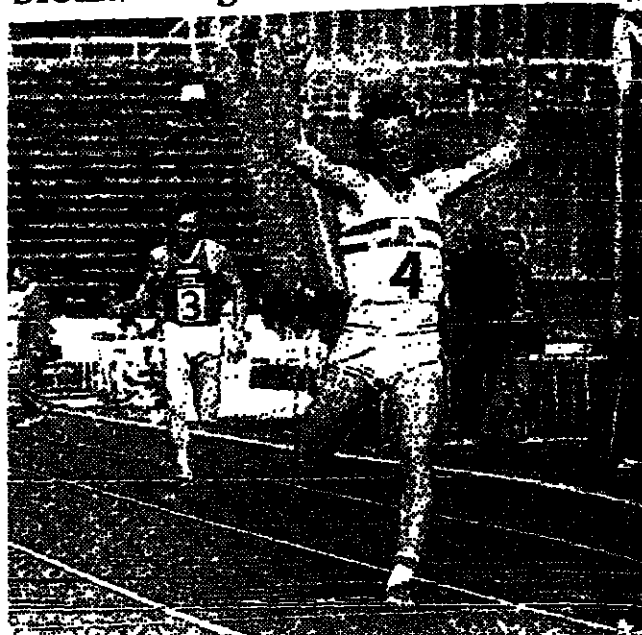
Best of all, from the market's point of view, is that a soft landing would mean that neither the Bank of England nor the US Federal Reserve should need to raise interest rates much further. The first test of

that view will come with the Fed's meeting next week.

The strength of the pound, which rallied to DM2.25 by yesterday afternoon from an all-time low of DM2.1885 last Friday, temporarily removed one fear from the market's mind: that the authorities would have to raise rates to defend sterling.

The results season has also helped the market, with dividends in particular coming in ahead of expectations. This reflects the very healthy balance sheet of the UK corporate sector, which achieved a record £13bn financial surplus last year.

There were some encouraging figures from industrial companies this week. Automotive and aerospace group Lucas Industries paid its first fully covered dividend since 1990 and Bowater, the printing and packaging group, shrugged off the effect of higher raw material costs to record a 6 per cent pre-tax profits increase.



Made it. The Footsie finally broke through the 3,150 barrier

However, the four week average of the dividend index fell back slightly for the first time in several weeks, dropping to 64 per cent from last week's 65.2 per cent. The index is designed to indicate the confidence of the corporate sector by deducting the number of dividend cuts from the number of increases, and expressing the result as a percentage of all announcements. It is still well above its level at the start of the results season.

Thanks to dividends growing at an annual rate of 10-12 per cent, the All-Share Index could still offer a dividend yield of 4.16 per cent on Thursday night. Although that is not cheap by historical standards, it is still above the 4.02 per cent level at which it started the year and well above the sub-3 per cent levels it reached before the 1987 market crash.

With gilts also performing well, the market's recent rally still leaves the gilt-equity yield ratio close to two, a level at which shares have offered good value over the past 25 years.

Nor does the market look too expensive in terms of corporate earnings. As the chart shows, the strength of earnings growth, combined with a 10 per cent fall in share prices since the January 1994 peak, has brought the market's price-earnings ratio back down to a more reasonable level of just under 17.

Be warned, however. In the past, when the market has confidently broken through the 20 p/e barrier, retribution has been swift. After the three previous occasions since 1965 when it achieved this mark (1969, 1972 and 1987), the p/e fell back to an average level of

14.5. Furthermore, the market is due to take a breather in the short term. By Thursday night, the 10 day average of the ratio of advancing to declining stocks had reached 1.37, its highest level for the year. Investors may be tempted to take profits.

Chartist Brian Marber, however, thinks that the recent market activity has been very encouraging. Earlier this week, he says, Footsie broke out of a significant downtrend in which it has been stuck since February 1994; it has made a recent high and passed its October and November highs, and moved decisively above its one year average.

Another optimist is Richard Jeffrey, the Charterhouse group economist. He does not expect another base rate rise this year and thinks that exports, rather than consumer demand, will continue to drive the recovery.

His target for Footsie for the end of year is, hold on to your hats, 3,800.

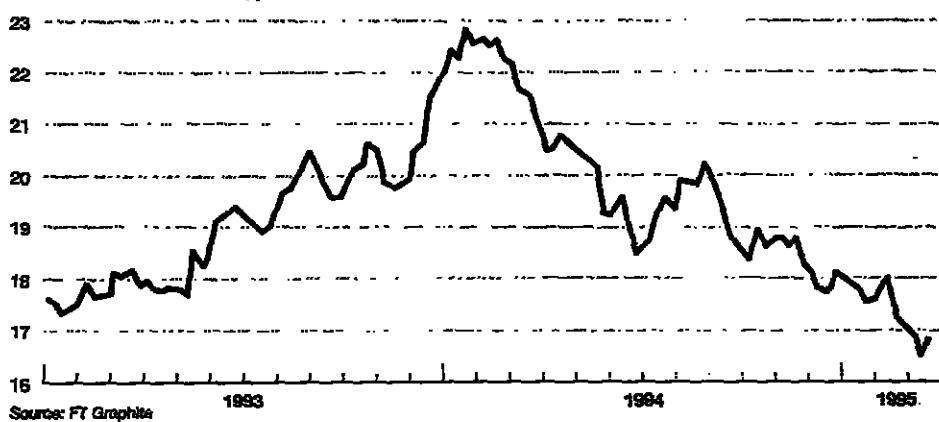
Before you open the champagne, however, it is worth pointing out that Nick Knight at Nomura Research remains so bullish he could almost be dubbed the Fifth Horseman of the Apocalypse.

Knight expects the UK to fall back into something close to a recession later this year, or early in 1996, because of the simultaneous tightening in monetary and fiscal policy. His target for the Footsie is in the 2,500-2,800 range.

It is therefore possible to make one safe prediction. Either Knight or Jeffrey will look very foolish by the end of the year.

### The market gets de-rated

FT-SE All-Share Index, p/e index



### Highlights of the week

|                     | Price<br>y/day | Change<br>on week | 1994/95<br>High | 1994/95<br>Low |                               |
|---------------------|----------------|-------------------|-----------------|----------------|-------------------------------|
| FT-SE 100 Index     | 3153.4         | +64.1             | 3520.3          | 2878.6         | Higher dividend news          |
| FT-SE Mid 250 Index | 3418.7         | +45.2             | 4152.8          | 3300.9         | Engineering sector firmer     |
| Arps                | 402            | +45               | 410             | 307            | Favourable figures            |
| Berthel             | 198            | +19               | 402             | 174            | Encouraging figures           |
| Bolton              | 19             | +10               | 39 1/4          | 7              | China Strategic stake         |
| British Borneo      | 269            | +16               | 269             | 197            | Excellent results             |
| British Steel       | 154            | -7 1/2            | 172 1/2         | 121 1/2        | US price worries              |
| Eurotunnel Ltd      | 235            | -27               | 924 1/2         | 195            | Funding worries               |
| Great Universal     | 570            | +27               | 653             | 493            | Share buy back speculation    |
| Guinness            | 464            | +40               | 542             | 404            | Better than expected figures  |
| Karwood Appliances  | 279            | +25               | 385             | 254            | Broker "buy" recommendation   |
| Kingsfisher         | 465            | +25               | 778             | 379            | Presentations to institutions |
| Kleinwort Benson    | 653            | +39               | 683             | 424            | Bid speculation returns       |
| Lloyds Chemists     | 200            | -19               | 380             | 198            | Worries about short term      |
| Phoneline           | 263            | +61               | 440             | 175            | BT deal                       |



Barry Riley

## Beware of the big, bad world

Watch out for global market tensions

Normally I like to take a stronger view - whether bullish or bearish - on the stock market than I felt able to do at the end of last year. As we near the end of the first quarter, however, my view that the market would track roughly sideways turns out to have been more or less correct so far.

So has the judgment that the UK market, in particular, would be torn between domestic corporate sector buoyancy and increasing tensions in the global markets.

For the record, the All-Share Index has gained about 1 per cent in three months. Globally the picture is a little worse, so that the World Index in sterling is down 2 per cent. That is a simple picture, but currencies have been volatile and it is easy to become lost in a statistical fog.

Where I have definitely come unstuck so far has been in the prediction that Wall Street would find the going tougher in 1995. In fact it has been one of the most buoyant of the world's equity markets, rising 7 1/2 per cent so far, as measured by the Dow Jones Average, and moving decisively into new all-time high ground.

Of course, your perception of Wall Street's strength depends on your base currency. A Japanese investor doing his calculations in yen

will come to the conclusion that the US stock market has fallen about 5 per cent in three months; no wonder the Japanese are so reluctant to risk their money abroad. And although Wall Street has been reaching new all-time peaks this week, the World Index in terms of US dollars is showing a decline of some 22 per cent on the all-time high of February 1994. Is this a bull market or a bear market? The unhelpful answer, alas, is that it all depends.

Japan itself has proved to be very difficult. In local currency terms the Tokyo stock market has tumbled by around 20 per cent (though only half that in dollars). After the Kobe earthquake and Wick Leeson's whirlwind of futures contracts Japanese equities were hammered by the yen's remorseless appreciation.

The pressure has been renewed during the past few days, with the dollar slipping at times to 88 yen, down from 100 at the turn of the year, a level from which countless dollar bulls, poring over calculations of purchasing power parities, or "fundamental" values, assumed the battered US currency could only rise.

Though hard to predict in detail, at least this year's combinations of currency and stock market movements have been more rational than in the previous couple of years. During the bull market, waves

of global money tended to push currencies and securities markets in the same direction. This was noteworthy in the behaviour of the Tokyo market, for instance, in the first quarter of 1994, when a surge of mainly American money hit Japan. During those three months the yen rose by 8 per cent against the

**World markets are being stretched by contradictory policies in the US and Japan**

pound sterling and the Tokyo stock market gained 15 per cent - for a total return to a UK investor of 24 per cent.

That ruined the whole year for many a British institutional investor underweight in Japan.

Normally, however, you would assume that a weak currency generates higher corporate profitability and a strong currency imposes a squeeze on margins. Such considerations hit the German stock market this week, for instance, when it dived to a 17-month low on Thursday. But Wall Street has effectively been enjoying a devaluation bull market in recent weeks, and Tokyo enduring a

revaluation bear market.

Why did I miss Wall Street's revival? I was too easily taken in by the smokescreen of monetary tightening being pushed out by the Federal Reserve Board late last year. True, the short-term rates directly manipulated by the Fed were raised by half a percentage point at the beginning of February. But in just about every other respect monetary discipline has actually been relaxed. One-year bond yields have fallen by the best part of a percentage point since the end of December.

Many billions have been pumped into the rescue of Mexico, greatly risking the dollar's external value, given that the Mexican crisis is far from over.

The world's financial markets are now being stretched by the contradictory policies being followed in Japan and the US. At what point will the yen-dollar rate force policy changes in either country? We can only guess; but Wall Street would be very vulnerable to a genuine tightening by the Fed.

As for the UK, a sluggish performance by gilts has restrained the equity market so far this year. Long yields have drifted down only from 8.7 to 8.5 per cent, whereas bond yields have fallen much more sharply in the US and Germany.

My year-end suggestion that

sterling might prove to be unexpectedly strong in 1995 has turned out to be off-beam so far, although supportive economic evidence continues to accumulate, as with yesterday's news of a cut in the balance of payments deficit from £11.8bn to £0.2bn in 1994. As I suspected, political factors have proved to be negative, and the foreign exchanges have for the time bracketed sterling with the dollar, however illogical that may be (with the US monthly trade gap hitting \$12.2bn in January, for instance). At least the UK is no longer regarded, 1992 style, in much the same light as Italy.

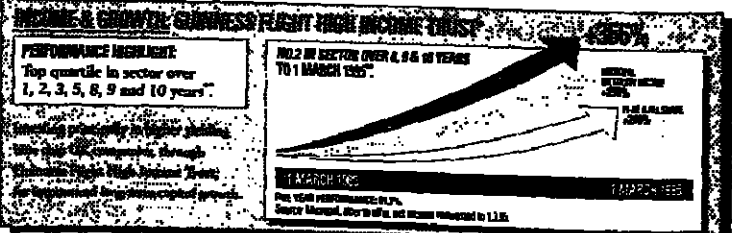
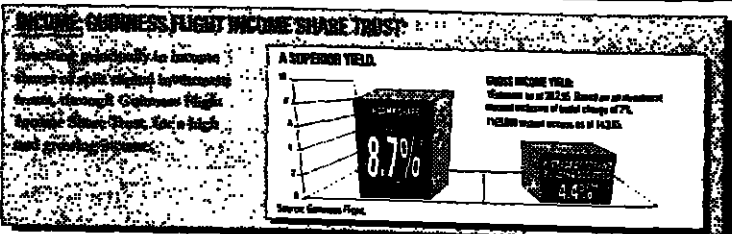
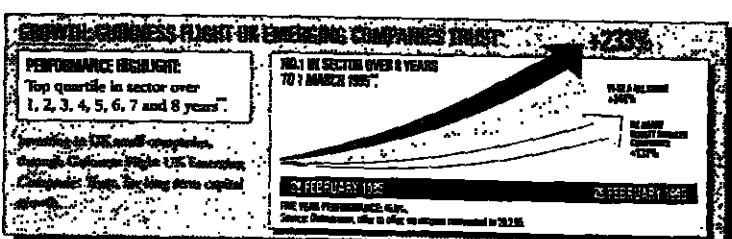
At any rate, this week's UK institutional investment figures confirmed that securities market cash flows are reasonably well balanced. The big funds are putting much more into bonds - some £20bn in 1994 - but with total inflows of near £20bn they are able to make satisfactory allocations to equities too.

Domestic corporate news continues to be a confusing mixture of buoyant profits and dividends on the one hand, and heavy lay-offs and high street bankruptcies on the other. Overall the news at home should continue to be reasonable, and it is the shocks from the dangerous world out there, where financial tensions are being steadily wound up, that we must fear.

GUINNESS FLIGHT

INVEST BEFORE 5TH APRIL FOR YOUR 1994/5 PER.

## PEPS - ACT NOW



**PRICED FOR VALUE**  
The PEP initial charge is only 2%, with no withdrawal charges after 3 years.

To find out more, please fill in the coupon, call our Investor Services Department on 0171-522 2111 or contact your financial adviser.

Investment Services Department, Guinness Flight Fund Managers Limited, 5 Colindale Avenue, London SE1 2NE. Tel: 0171-522 2111. Fax: 0171-522 2001. Please send the details of Guinness Flight PEPs.

This \_\_\_\_\_ Surname \_\_\_\_\_ Initials \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

UNIT TRUST PEPs

Offshore managed funds are listed in this section, UK managed funds in Section One